



Advice to Masters



Advice to Masters

Contents

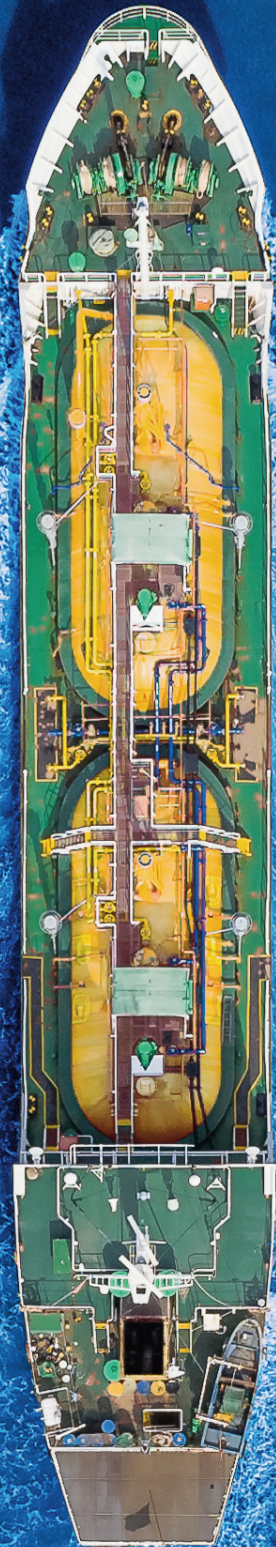
Introduction	4
How to use this guide	4
Overview of marine insurance	5
Notification of claims	5
The importance of the logbook	5
Protection & Indemnity (P&I) insurance	6
Who to contact	6
Keep up to date	6
Actions concerning potential claims	7
Seaworthiness	7
Bill of lading liability	8
Transport liability	9
Personal injury	10
Stowaways	10
Oil spill	11
Hull & Machinery (H&M) insurance	12
Who to contact	12
H&M insurance conditions	13
Survey	14
Collision	15
Salvage	18
Grounding	20
Fire	24
General average	25
Advice to Masters concerning security	26
Security measures	27
Piracy	27
Appendices	28

Introduction

How to use this guide

In any casualty, as the Master, you play a crucial role. You are on the scene, with the ability to minimise the consequences of the casualty, and to facilitate the handling of matters between the owners and The Swedish Club. Advice to Masters is designed to support that process and not to supersede or contradict any instructions issued by the owners.

Its aim is to provide you with advice relating to a casualty from the underwriter's point of view.



Overview of marine insurance

A shipowner can face losses arising from many different types of casualty, and to offer the best levels of protection marine insurance has developed into two distinct categories of insurance cover: protection and indemnity (P&I) insurance and hull and machinery (H&M) insurance.

H&M insurance is property insurance, covering damage to the vessel itself, its machinery, the vessel's proportion of salvage costs and the vessel's contribution to general average*.

P&I insurance is the shipowner's liability insurance. Within the cover of the P&I insurance falls liabilities for damage to a third party such as personal injury, cargo damage, pollution, etc.

Notification of claims

When a casualty occurs you should notify the owners of the vessel and The Swedish Club as soon as possible in order to arrange for the necessary attendance and support.

To ensure immediate attention you or the owners should always notify the Club of a casualty by telephone. If you need to report a casualty via an email this should always be followed up by a telephone call – we would always rather be notified one time too many, rather than be notified too late.

The Swedish Club provides Emergency Contacts 24 hours a day, 365 days a year – these are detailed on the back cover of this publication. Please refer to the Contact section on The Swedish Club website for additional information on how to contact us.

In order to provide us with the clearest picture of the situation, please be prepared to provide the following information:

- Name of the vessel.
- Date of casualty.
- Type of casualty.
- Position/place/port.
- Brief description of the damage (in English).
- Where and when survey can be arranged.
- Name and particulars of owner's local agents in the port where survey can be arranged.

*See page 25

The importance of the logbook

Logbooks provide a formal record of circumstances at the time of any incident. It is important therefore to enter only information relevant to factual events in a logbook, it is an official document of great legal importance and careless comments may be misconstrued.

In particular when a matter under investigation concerns third party liability, the logbook will be treated as evidence and as such will eventually be scrutinised by the parties involved. The Swedish Club will customarily request a logbook extract whenever you submit a claims notification.

Entries

- If a mistaken entry is made – draw a single line through the faulty passage.
- Never erase or use correcting fluid.

Tampering with logbook entries will always be detected and furthermore can only appear suspicious. Document specialists will be employed if a case is of sufficient importance, and they will uncover the information that was originally entered. It should also be borne in mind that the importance placed on the logbook as evidence means that it will inevitably have to be surrendered to opposing parties at some stage during the course of an investigation.

Protection & Indemnity (P&I) insurance

Advice to Masters with P&I insurance placed with The Swedish Club

Who to contact

If you encounter problems which may concern the vessel's P&I insurance, then in the first instance contact the vessel's owners or agents. They will then contact The Swedish Club. If you are unable to contact the owner then please contact either The Swedish Club directly, or the nearest general correspondent.

A list of correspondents can be found on The Swedish Club website, or you can order a printed copy from swedish.club@swedishclub.com.

Keep up to date

The Swedish Club regularly issues P&I insurance rules and circular letters. Officers should study both these and the circulars that are issued by owners. It is very important that officers are familiar with the contents and clauses of charter parties and bills of lading.



Actions concerning potential claims

Casualties

In the event of a casualty steps should be taken immediately to prevent or mitigate any damage arising. In certain situations, you may find that you have to act without instructions or advice. On such occasions sound judgement is of the greatest value. It is important that you are especially careful when asked to sign documents. Remember, if in doubt you can consult the P&I correspondent. Do note that the vessel's agents sometimes also represent the charterers, whose interests may be contrary to those of the owners.

If the vessel is held responsible in any way, it is important to remember that documents presented on behalf of the claimant should not be signed by the Master, unless it is added in writing that the signature is an acknowledgement of receipt only.

Cargo damage

The vessel may be held responsible for damage to cargo occurring during loading and discharging operations. It is therefore necessary to supervise the operations and to hold the stevedores liable in writing in case of damage or rough handling. Sometimes it is even justified to stop the work temporarily.

Inspections on board by counterparties

If an individual who could be a claimant, or represents one, wishes to conduct an investigation on board, or asks to be supplied with deck, engine and refrigeration logbooks or scrap logs, the owners or The Swedish Club's correspondent should be contacted. The Club's correspondent or its lawyers should be present, if possible.

Seaworthiness

Great attention should be paid to the seaworthiness of the vessel. This not only concerns its general seaworthiness but also its 'cargoworthiness'. Occasionally it may be necessary to obtain a seaworthiness certificate – refer to P14 for further details.

If, for example, perishable goods are transported after the discharge of dirty cargo, it is essential not only to undertake a programme of careful cleaning before loading, but it must be possible to prove that such cleaning has taken place.

The definition of seaworthiness also concerns safety on deck: e.g.

- The risk of slipping due to spilled oil etc.
- Hatches (use of man-ropes etc.)
- Ladders
- Winches
- Cranes
- Gangways

Lighting must be satisfactory to protect the crew, passengers, stevedores or anyone else, from unnecessary risks.

Where feasible, the areas to be used by stevedores should be jointly inspected with the stevedore foreman/safety officer, confirmed as satisfactory, and a suitable log entry made.



Bill of lading liability

The bill of lading liability materialises when a bill of lading is incorrectly dated or if the bill of lading's particulars do not correspond to the real facts at the time of loading.

Remember:

- Remarks in the bill of lading must be specific
- General phrases are of limited value
- The intended port of arrival has to be correctly stated

A bill of lading with the wrong particulars may, in the hands of an acquirer in good faith, make owners liable for substantial damages.

In some circumstances e.g. for steel shipments, it may be necessary to arrange a survey of the cargo's condition before loading. With support of the survey reports, correct remarks can then be inserted in the bill of lading. Additionally, the survey report may be attached as a part of the bill of lading itself. In such circumstances it is of course prudent to advise the owners of your intentions beforehand.

Back letter

Clean bills of lading must not be issued against an indemnity letter or 'back letter', without the owners' express approval. In many cases it is impossible for the owners to obtain an indemnity from shippers having issued such guarantee letters. If the owners are prepared to take the risk of accepting an indemnity letter or back letter, they must make sure that the guarantee is adequately worded. Please remember that the P&I cover may be prejudiced if accepting an indemnity letter.

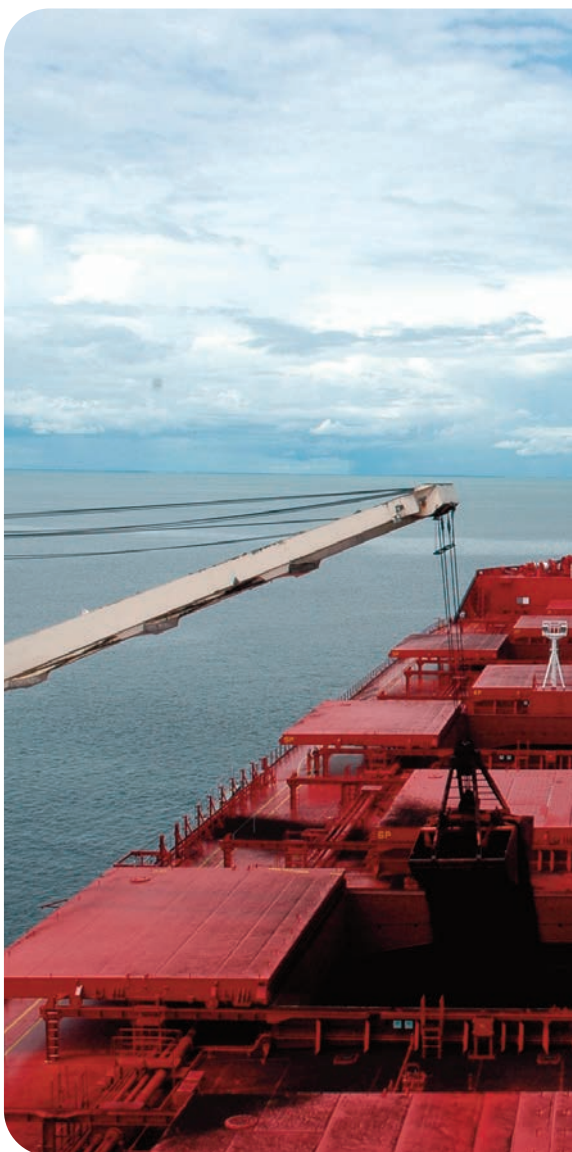
Right consignee

The cargo should be delivered to the rightful holder of the bill of lading. If the receiver is not in possession of the relevant bill of lading, you should contact the owners.

Transport liability

Even where a vessel is on charter, the owners retain responsibility for the safety of the cargo. The goods must be loaded, transported and discharged in such a way that damage or shortages do not arise – as Master you have an important responsibility. Loading and discharging during rain, for example, is inadvisable for most kinds of goods. Some cargoes can be easily contaminated and with others it is necessary to attend carefully to ventilation.

Due to the time factors, or the sealing of the unit, there is often no opportunity to inspect the lashing and securing of goods stowed in containers and trailers at loading. This is unfortunate, because a large number of cargo claims emanate from inadequate stowage and securing.



Stowing

If there are reasons to suspect that the goods in a certain container or trailer are inadequately stowed, it should be opened and checked. Where possible, the individual weights of each container must be carefully balanced to ensure stability within a stack and the combined weight of each stack considered to ensure it does not exceed the recommended stack weight.

It is your responsibility to ensure the securing and lashing of containers is in accordance with that recommended in the manual and to make regular checks, especially after periods of heavy weather, that these remain correct.

With reefer containers it should be ensured that the required temperatures and ventilation are correctly set and kept throughout the voyage.

Tallying

If the owners have not decided to the contrary then you should arrange for tallying at loading and discharge. The counting must be carefully carried out however, otherwise the tally is of little or no value.

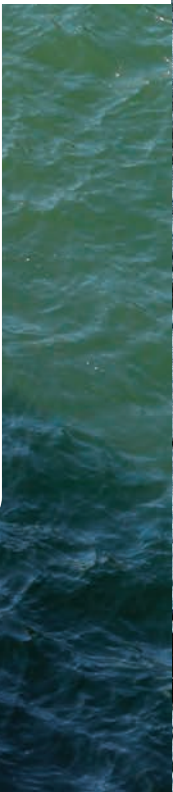


Personal injury

In the case of personal injury the following evidence is required from the vessel:

- Details of the circumstances surrounding the accident
- The conditions at the time of the accident
- Names of witnesses
- Whether you believe the injured person contributed to the accident or if there was any obvious negligence from any other party involved
- A drawing or photo of the area where the accident occurred

Any evidence should be kept in a safe place.



Stowaways

Prevention is better than cure. If trading in an area where there is a risk of stowaways, a thorough search of the vessel should be made and logged prior to departure.

In the event of a stowaway situation the International Maritime Organization (IMO) has developed a series of guidelines to help you as Master to deal with the situation – ensuring protection for both your vessel and for the stowaway.

These guidelines require Masters, shipowners, public authorities, port authorities and other stakeholders, including those providing security services ashore, to cooperate to the fullest extent possible in order to prevent stowaway incidents and to resolve stowaway cases expeditiously.

They also require stowaway incidents to be dealt with in a manner consistent with humanitarian principles. Due consideration must always be given to the operational safety of the ship and to the safety and well-being of the stowaway.



Revised Guidelines On The Prevention Of Access By Stowaways and the Allocation Of Responsibilities to Seek the Successful Resolution of Stowaway Cases can be found at:

<http://www.imo.org/en/OurWork/Facilitation/Stowaways>

You are also asked, as best you can, to complete the form in **Appendix (i)**, which must be provided to the authorities at your next port of call.



Oil spill

Notification

If an oil spill occurs the local port authorities as well as the relevant coastguard should be notified immediately. In case of an oil spill in US waters, it is of the utmost importance that the United States Coast Guard (USCG) National Response Center (NRC) in Washington, is notified immediately on +1-800-424-8802.

Notify:

- The qualified individual (QI) according to the vessel's response plan (VRP)
- Your local agent
- The vessel owner/operator
- Your local P&I correspondent

The above parties should also be contacted in the event of any accusation of an oil spill made against your vessel.

Emergency plans

At the same time, the ship oil pollution emergency plan (SOPEP) should be activated with the aim of mitigating the consequences of the spill.

Records

Careful records of activities, communications etc. in connection with the spill and action taken in relation thereto must be maintained.

Good communications

A majority of all oil spills occur during bunkering and are a result of poor communication between those involved in the bunkering operations. It is of the utmost importance to maintain good communications between the bunkering barge, deck watch, pump room and engine control room during the entire operation. Furthermore, it is not sufficient to rely on the meter readings when it comes to topping-up the tanks - soundings should be taken at regular intervals.

Hull & Machinery (H&M) insurance

Advice to Masters with H&M insurance placed with The Swedish Club

Who to contact

When your vessel's H&M insurance is placed with The Swedish Club, and the Club acts as the leading H&M underwriter, you and the owners need only to communicate with The Swedish Club to obtain assistance for the particular situation at hand.

Emergency numbers can be found on the back cover.

Notifying opposing parties

When the vessel has suffered damage through an incident involving a third party (other vessel, stevedores etc.) it is important that opposing parties are notified in writing.

A formal notice should be served to the responsible party as early as possible after the incident. This should be in the form of a 'Notice of Liability' – please see **Appendix (ii)** for suggested wording. It is usually not possible to get the other party to admit liability, in which case the third party should be asked to sign the document **'As Receipt Only'**.

Under some charter party agreements the stevedores are the servants of the charterers and therefore the charterers should also be put on notice for damage caused by the stevedores.

The same may apply if the charterers have supplied bunkers to the vessel which prove to be of poor quality. You should ascertain if this is the case from the vessel owners, at the time of the incident.

Please note - the rules in the charter party usually stipulate that the notice of liability shall be received by the charterers within **24 hours** in order to be valid, and so the above actions need to be carried out as a matter of priority.

Checklist

- Send a formal 'Notice of Liability' in writing to opposing parties.
- Make sure that the 'Notice of Liability' is signed for **'As Receipt Only'** if opposing parties refuse to admit responsibility.
- Consult the owners for any charter party considerations concerning stevedore damage or bad bunkers supplied by charterers.

H&M insurance conditions

The scope of your H&M insurance rests on a set of conditions which have been agreed between the shipowner and the underwriter. Different traditions have developed in different markets and it is therefore important for the vessel's officers to be aware of the insurance conditions under which their vessel is insured since this will, to some extent, guide them to which insurer (H&M or P&I) should be notified in the first instance.

The vessel's responsibility for damage can be categorised as follows:

- The Running Down Clause (RDC) which covers collision liability.
- The Fixed and Floating Objects (FFO) cover which concerns the vessel's responsibility for damage to objects other than vessels, i.e. contact damage.

It should be noted that the RDC and the FFO cover are only relevant when direct contact between the vessel and the damaged objects occur. Non-contact damage, for example wash damage, is a matter for the P&I Club, except under German conditions.

In addition:

- In their standard forms, Swedish, Norwegian, Danish, and German Hull Insurance Conditions cover the full collision liability and damage to FFOs (buoys, piers etc).
- The standard form of American Hull Insurance Conditions (AIHC: American Institute Hull Clauses) covers the full collision liability but does not include FFO cover.
- Finally, the standard form of English Hull Insurance Conditions (ITC: Institute Time Clauses, Hull) will cover 3/4 of the collision liability but does not include FFO cover.

Variations of the standard forms are common, so check with the owner or manager which insurance conditions and liability cover apply to your vessel.

Logbooks

It is important that logbooks are carefully kept as they are regarded as important evidence in court cases. (See page 5).



Survey

The Swedish Club survey

In the event of an incident, a surveyor may be appointed by The Swedish Club to carry out an inspection to ascertain what work is needed to restore the vessel to its pre-casualty condition.

It is important that the Club's surveyor is given an opportunity to investigate the extent and cause of the damage before it is repaired. In the event of damaged machinery/equipment, the damaged parts must be kept on board until surveyed.

Make a note in the logbook recording the survey and the surveyor's name. Before allowing a surveyor access to the vessel it is important to check whose interests the surveyor is representing. When The Swedish Club appoints a surveyor, either directly or via its local representative, it will inform the shipowner of the name of the surveyor who will board the vessel. The attending surveyor **MUST** be able to show that he or she is representing The Swedish Club's/owner's interests before being allowed to examine logbooks, etc.

Third party survey

If the surveyor is representing the opposing parties in a matter involving a third party, the surveyor should be given an opportunity to survey but not be allowed to inspect logbooks or to interview crew. The surveyor should also be accompanied by a crew member at all times during the visit on board.

Checklist

- Do not repair insurance-related damage until surveyed by the insurer's surveyor, unless it is necessary for safety reasons.
- Save damaged parts and equipment on board until surveyed by the insurer.
- Arrange for a joint survey if damage relates to a third party. This is normally performed by the insurer's representative.
- Always verify whose interests the attending surveyor represents (insurer/owner, charterer, opposing parties).
- Make a note in the logbook recording surveys and the identity of surveyors.
- The opposing parties' surveyor should only survey the damage and receive very brief details of circumstance surrounding the casualty.

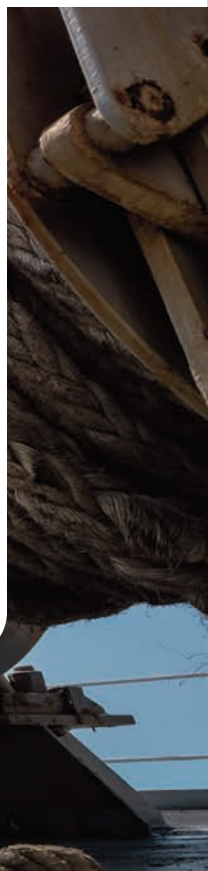
Joint survey

When the damage relates to a third-party matter (collision with another vessel or berth, etc.) the survey should preferably be arranged so that surveyors representing both parties can be present. The purpose of this joint survey is to avoid future disagreements on the extent and cause of the damage by allowing each side to nominate a surveyor to independently assess the cost of repairs. Normally joint surveys will be arranged by our local representatives.

If, for instance, damage is inflicted on the vessel by the local stevedoring company it is imperative that the damage is surveyed before the vessel sails and that someone representing the stevedores is present. If the vessel sails without having had the damage to the vessel surveyed in the presence of a stevedore representative, the chances are that the damage will be rejected by the stevedores. The reason is that the stevedores would have had no opportunity to verify by themselves that the damage resulted from something, or someone, for which they were responsible.

Seaworthiness certificate

If damage in any way affects the vessel's seaworthiness, the classification society must be notified, and a survey arranged. A certificate of the vessel's seaworthiness must be obtained from the classification society before the voyage is continued. The requirements placed upon the vessel by the classification society must be complied with for the insurance to remain in force.





Collision

1. Ensure the safety of the crews and vessels involved

2. Notification

When your vessel's H&M insurance is placed with The Swedish Club, and the Club acts as the leading H&M underwriter, you or the owners need only to communicate with The Swedish Club to obtain assistance for the particular situation at hand.

Emergency numbers can be found on the back cover.

3. Record observations

Once all practical and necessary steps have been taken following a collision, and the safety of the crews and vessels involved is ensured, all those on watch and others who have been in a position to observe the events leading up to the collision should write down their observations in their own words, just as they witnessed them. The sooner after the incident this can be done the better. This will greatly assist the investigation which will invariably take place after the collision.

When a major collision occurs the insurers will, together with the owners, instruct solicitors to carry out an investigation and obtain evidence. These observations from witnesses should, therefore, be clearly addressed **'To the Company Solicitors'**. This is for the practical reason that solicitors, if involved, can claim privilege on documents carrying that heading and they will not have to be surrendered to opposing parties.

It may however take several days before the investigation team is able to interview the crew members involved. We will therefore list below some items which may be of assistance to crew members who are trying to structure their statements before the solicitors' arrival.

Contents of a statement about a collision

- **Address 'To the Company Solicitors'**
- The vessel's position at the time of the incident. The position should be fixed, if possible from more than one source.
- The exact time of the collision. The accuracy of the clocks should be verified. Check any difference between clocks on board such as course or engine recorder, bridge and engine room.
- The heading of the vessel at the time of the collision.
- An estimation of the angle of blow.
- An estimation of the speeds of own and colliding vessel.
- Any alteration of course or speed from the time the other vessel was first observed until the time of the collision.
- Weather conditions.
- Wind, sea state, visibility, state of tide and currents.
- The lights or shapes (if any) carried by the vessel.
- First observation of the other vessel – time observed, by what means, bearing, distance, lights and shapes observed, aspect.
- How was the other vessel plotted?
- What was closest point of approach (CPA) and time to closest point of approach (TCPA)? Any changes observed?
- Any communications between the two colliding vessels, before and after the collision.
- Any signals made, sound or light, by either vessel.
- Names and call signs of other vessels in the vicinity who may have witnessed the collision.

Do not discuss the matter of the collision with any individual other than those who can verify that they are representing the owners or The Swedish Club.

Confidentiality

Controlling information flow

Following a collision it is essential to control the flow of information. The Master must inform the crew that any enquiries regarding the collision should be directed to him. There may well be a number of third parties demanding reports and information from the crew, and it is important to establish whose interests they represent and exactly what information you need - or do not need – to provide them with.

In particular it is imperative that everyone who boards the vessel with the purpose of carrying out a survey, or other work related to the collision, is identified and that they prove whose interest they represent.

Providing information to third parties

When a damaged vessel enters port, the local authorities and agents are likely to take an interest in the vessel, and they will very often request a statement. This is despite the fact that the port which the vessel enters after the collision may not have the slightest involvement in matters between the two colliding vessels and the requested statement may be for record purposes only. In this instance you should supply them with a **condensed** version of your recollections. Exact times and positions should NOT be revealed in a general statement of this kind and logbook entries should NOT be shared. If possible, discuss the situation with the Club or the company solicitors prior to issuing such a statement.

The same principle applies when any individual or organisation not directly representing your vessel requests a statement of facts or similar written record of the incident.



Providing information to authorities

When authorities have the right to demand a statement, clause the statement to read **'this statement is for [port authorities/ canal authorities etc] use only, not to be shown or given to third parties.'** If possible only give such statements in the presence of and after consultation with solicitors instructed by the owners or The Swedish Club.

Much of what is said above will also apply to a casualty which involves contact damage to a fixed or floating object.

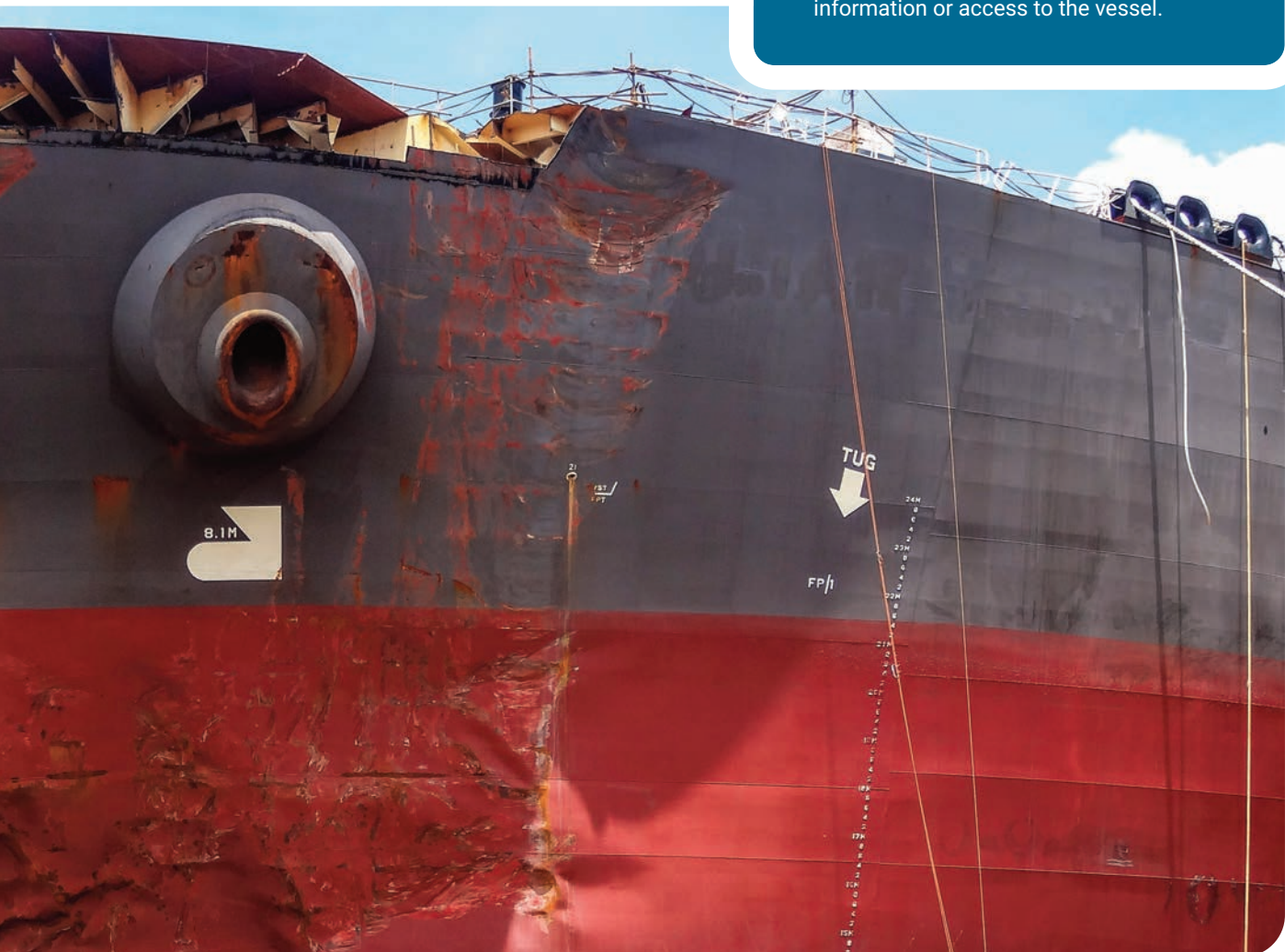
By giving this advice our intention is not to encourage obstruction of justice or any such behaviour, but rather to draw your attention to the fact that it is important to control the flow of information.

Confidentiality and the survey

As discussed under 'Survey' on page 14, when the damage is attributable to a third-party incident it is desirable that a 'without prejudice joint survey' is arranged. This will usually be set up by The Swedish Club's local representatives. It is important that the crew are clear that they know which surveyor is representing their owners. **Opposing parties' surveyors should not be allowed to check logbooks or interview crew members.**

Checklist

- Draft a general statement about the casualty which truthfully explains the damage but leaves out exact information such as exact position, exact times, manoeuvres, specific observations etc.
- Instruct the crew to direct all inquiries about the casualty to the Master.
- Verify whose interest any third party represents before providing them with any information or access to the vessel.



Salvage

Salvage is 'the compensation paid for the rescue of a vessel and/or cargo from the perils of the sea'. When a situation occurs in which the vessel is facing danger and needs to employ outside assistance, the vessel is exposed to a claim for salvage services. The situation may result from a collision, grounding, main engine breakdown, fire or any other circumstance which puts the vessel in danger.

The reason why the shipowner, cargo owners and their respective insurers are exposed to economic loss in a salvage situation lies in the fact that those providing the salvage services are entitled to remuneration based on the salvaged values of all property.

Engaging a salvor

If and when a vessel encounters a situation where there is a need for outside assistance, the owners and insurers rely heavily on the judgement of the Master. It is the Master who is on the scene and will have to decide if the danger to the vessel is such that outside assistance is needed to save the vessel, crew and its cargo.

Notification

Unless the danger is imminent, it is strongly recommended that the Master contacts the owners or insurers before any outside assistance is engaged.

However the bottom line is that it is the Master who decides when the vessel is in distress and in need of assistance. If the Master decides that the vessel needs salvage services, it is the duty of all other parties involved to assist the Master in the efforts to save the vessel and find the best available means to secure the safety of the vessel.

The contract

If a salvor offers services and demands a contract for the services rendered, the agreed contract should preferably be the LLOYD'S STANDARD FORM OF SALVAGE AGREEMENT 'NO CURE - NO PAY' (Lloyds' Open Form - LOF). If time allows this should be handled via the owner's onshore team.

This contract refers assessment of salvage remuneration to a Lloyd's Arbitrator in London.



The purpose of an 'open form' salvage contract is to avoid losing precious time haggling over the price of the service when a vessel is in imminent danger.

When time allows, however, it is almost always more economical if the services are performed on a contract stipulating a fixed rate (hourly, daily or lump sum) rather than on an open form contract like the LOF.

Working with the salvor

When a Master has accepted services from a salvor particularly if the services are performed under an open form contract - it is very important that the Master and the crew keep a close record of what the salvors actually do and under what circumstances. Although the crew and the salvors will represent two different sides in an arbitration, all salvage agreements, including the LOF, require full co-operation between the crew of the salvaged vessel and the salvors.

To illustrate how an arbitrator will assess the salvors' performance in an arbitration, we list below the 'criteria for fixing the reward' as set out in the LOF.

1. The salvaged value of the vessel and other property.
2. The skill and efforts of the salvors in preventing or minimising damage to the environment.
3. The measure of success obtained by the salvor.
4. The nature and degree of danger.
5. The skill and efforts of the salvors in salvaging the vessel, other property and life.
6. The time taken and expenses and losses incurred by the salvors.
7. The risk of liability and other risks run by the salvors or their equipment.
8. The promptness of the services rendered.
9. The availability and use of vessels or other equipment intended for salvage operations.
10. The state of readiness and efficiency of the salvors' equipment and the value thereof.

It is evident from the above that the information entered into the vessel's logbook regarding weather conditions, action taken by the crew to minimise dangers to the vessel and cargo etc will be very important at a later stage, when the means applied by the salvors are to be judged against the achieved results.



Grounding

The following notes are intended to serve as a guideline to the vessel's Master following a grounding/stranding. It should be noted that every grounding is unique, and that the advice given here may not be applicable or suitable in each and every case. It is the Master's responsibility to judge whether the advice given is suitable, safe and executable.

SECTION A
Emergency guidelines for vessel aground

Summary, General Code of Practice

Re-floating attempts should only be carried out in a controlled way, with great care and in accordance with a carefully worked out salvage plan, unless there is a serious and imminent threat to the vessel or the crew that calls for immediate action.

It is recommended that the vessel's Master refrains from executing any re-floating attempts under his or her own command, unless the Master is confident that such a re-floating attempt can be carried out in a safe and controlled way without jeopardising the safety of the vessel or the crew. A failed re-floating attempt may cause additional damage to the vessel and may make the prospect of success for a later re-floating of the vessel more difficult or even impossible.

Please follow these detailed guidelines and steps in a grounding:

1. Stabilise the vessel's position

It is essential to prevent the vessel drifting further aground. This can be achieved by utilising the vessel's anchors, and by filling the ballast tanks located in those parts of the vessel that are in contact with the seabed. Bending moment and shear stresses should be calculated for any such operation in order not to induce stresses into the vessel that exceed the allowable limits.

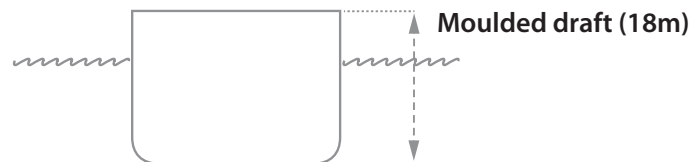
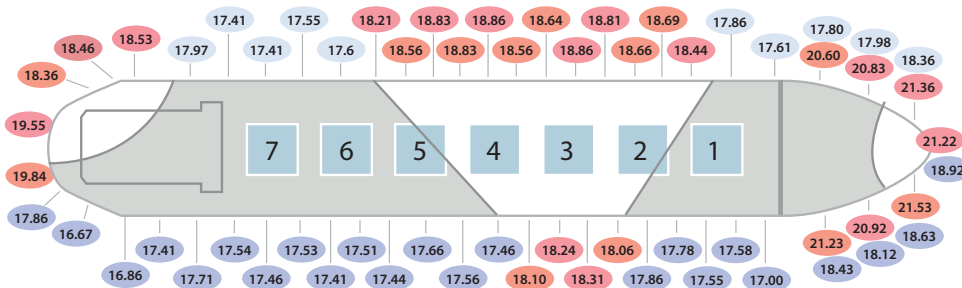
2. Notification

Notify the owners, The Swedish Club and the local authorities about the grounding.

- Report the vessel's exact position and heading aground.
- Any oil leakage must be reported to the local authorities promptly. Inform the authorities of the type and quantity of cargo on board as well as ballast water and fuel oil remaining on board.
- Display correct navigational lights and shapes.
- Consider radio warnings to keep other vessels clear.

3. Determine how the vessel is resting on the seabed

Take soundings from the main deck level (top of steel) to the seabed. Deduct the vessel's moulded depth from the value obtained. A positive value indicates water under the keel in the area where the measurement was taken. Ideally, this measurement should be taken at every 10th frame space, all around the vessel. Make a sketch of all measurements, see the example below.





4. Sounding

All ballast tanks, void spaces and fuel oil tanks should be sounded in order to establish if any tanks have been breached. Records of soundings should be kept and updated on a regular basis.

- If any ballast tank has been breached, it may be test pumped in order to establish the rate of ingress.
- If a fuel oil tank has been breached, the authorities should be notified accordingly so that an oil pollution prevention operation may be initiated, if deemed necessary.
- If possible, transfer oil from any fuel oil tank in exposed locations where the vessel is in contact with the seabed.
- The vessel's stability and strength should be calculated before executing any transfer of oil or filling of ballast tanks.

5. External assistance

Unless the danger to the vessel or its crew is imminent, it is strongly recommended that you contact the owners and/or the insurers before engaging outside assistance. Should the vessel be grounded in US waters, refer to US regulations.

6. Determine the seabed composition

Information may be available on the sea chart. Local authorities may have valuable information in this respect. Information as to the seabed composition may be received by lowering a piece of steel pipe attached to a rope and examining the material that is retrieved inside the pipe.

7. Tidal range

Determine the tidal range and the times for high and low water. We recommend that you prepare a schedule detailing the tidal movements that are expected for the next couple of days.

8. Ground reaction

It is crucial to determine the true value of the ground reaction force. This is of particular importance when establishing what techniques can be used to re-float the vessel - de-ballasting, transferring fuel oil within the vessel, or whether the cargo needs to be unloaded. An approximate ground reaction force can be calculated by using the mean draft before the grounding and after the grounding.

See SECTION B of these guidelines.

9. Weather

Obtain the latest weather forecast for the area, including predictions for swells and currents, as available.

10. Propulsion

Carry out an external inspection of the rudder and steering gear as far as possible. Should the vessel be grounded in the vicinity of the propeller and/or engine room area – do not run the main engine - unless imminent danger to the vessel requires such action.

Before the main engine is used subsequent to a grounding, crankshaft deflections for the main engine should be taken and compared with previous records.

11. Salvage contracts

Unless the situation requires it, do not sign Salvage Contracts without consulting the owners/The Swedish Club. The terms and conditions of any external tug assistance should be discussed and agreed upon by the owners/The Swedish Club before engaging such service.

12. Log

Keep a careful log of all events that take place after the grounding. If tug assistance or any external assistance is rendered, make notes of times of arrival and connection of tug boats, people allowed on board and any assistance rendered by external personnel.



SECTION B
Master's report

The vessel's Master should report on details of the grounding as follows. This will enable third parties to render as much assistance to the Master as possible, in order to determine the correct steps for a safe re-floating of the vessel.

1. Grounding data:

Grounding position	Latitude	Longitude
Time of grounding (local time):		
Time of grounding UTC:		
Estimated grounding speed:		
Heading aground:		
TPC:		
Bottom composition:		
Current (direction and speed):		
Tidal range/status:		
Tide when grounding:		
Tide range predictions coming days:		
Swell (wave height and direction):		
Weather forecast:		
Cargo details (type & quantity):		
Vessels list (if any):		
Movement of the vessel (if any):		

2. Drafts:

A. Draft before grounding:

Fwd port:	
Fwd stbd:	
Midship port:	
Midship stbd:	
Aft port:	
Aft stbd:	



B. Draft after grounding:

Fwd port:	
Fwd stbd:	
Midship port:	
Midship stbd:	
Aft port:	
Aft stbd:	

3. Breached tanks (if any)

Tank	Frame nos	Capacity (m3)	Water ingress Rate (m3/hr)*	Comments

* May be calculated if tank is test pumped

4. Pre-grounding deadweight summary (ballast tank status):

Space	Frame nos	Content	Capacity (MT)

5. Establish where the vessel is resting on the sea bed

Provide records of soundings around the vessel.

Refer to SECTION A of these guidelines for details on how to carry out these readings.



Fire

The success in fighting a fire will be directly linked to the time it takes for the crew to apply counter measures. The quicker all fans, dampers, fire doors, stairways, etc. can be sealed, the greater the prospect of containing the fire and minimising the damage.

Fire drills should encourage the crew to report to their muster stations as soon as possible after the fire alarm is sounded. The sooner everybody is accounted for, the sooner the firefighting can start. A decision on how to proceed with the firefighting should be based on all available information.

Below is a list of a number of items which should be considered when proceeding with the fire fighting. The list does not claim to be complete but may serve as to assist your decision making processes.

Fire in short

- Who was in the burning area last and what observations were made?
- What are the contents of the area of the fire and its surroundings? Special considerations may be necessary in connection with hazardous and dangerous goods.
- When fighting the fire consider the risk of explosions and the fire spreading.
- Evaluate the need for cooling the surrounding areas such as decks, bulkheads etc.
- Will there be a loss of stability when fighting the fire with water?
- Pay attention to which firefighting method is used. Do not use water where electrical equipment is involved.
- Be aware that if CO₂ is used it may require a long time to be effective. It also requires that the area is sealed off.
- Consider what must be done should the applied means not be effective? Is outside assistance available?
- Arrange for temperature measuring of the areas surrounding the seat of the fire to obtain an indication of the effectiveness of the means applied.

Using CO₂

CO₂ is an effective and clean way of fighting a fire. The gas works as an inhibitor and the oxygen in the atmosphere is replaced with CO₂. In order to be effective, the compartment where the CO₂ is injected must be sealed gas-tight. The CO₂ should be released in accordance with the instructions for your particular system, which will indicate how many bottles or tanks



are needed to achieve the necessary concentration to extinguish the fire in each individual compartment.

Even though it may be very difficult to extinguish a fire deeply seated in, for instance, cotton bales, it may be possible to keep the fire under control and halt it spreading into other cargo or compartments until the vessel reaches port.

A rule of thumb is that in order to achieve a 40% CO₂ atmosphere, approximately 50 lbs. of CO₂ for each 1000 cubic feet of air, equal to 0.8 kgs CO₂ per cubic metre, is needed. This will lower the oxygen content in the atmosphere to approximately 12.6% instead of the 20.8% which is the normal concentration.

Consult your International Maritime Dangerous Goods (IMDG) code and the emergency procedure supplement for information regarding any special arrangements needed due to the type of cargo you are carrying.

Notification

When your vessel's H&M insurance is placed with The Swedish Club, and the Club acts as the leading H&M underwriter, you or the owners need only to communicate with The Swedish Club to obtain assistance for the particular situation at hand.

Emergency numbers can be found on the back cover.

General average

In order to protect the owners' interests to the best of your ability we take this opportunity to touch on the subject of general average (GA). The principles for GA have evolved from ancient times as means of compensating parties with a common interest in a maritime adventure. An act of general average is defined in the York-Antwerp Rules as:

There is a general average act when, and only when, any extraordinary sacrifice or expenditure is intentionally and reasonably made or incurred for the common safety for the purpose of preserving from peril the property involved in a common maritime adventure.

The following losses may be considered as GA expenses and subsequently apportioned between the interested parties in the common adventure. These interested parties can be defined as the shipowner (the vessel), the time charterer (the bunkers), the cargo owners (cargo) and freight at risk (the shipowner).

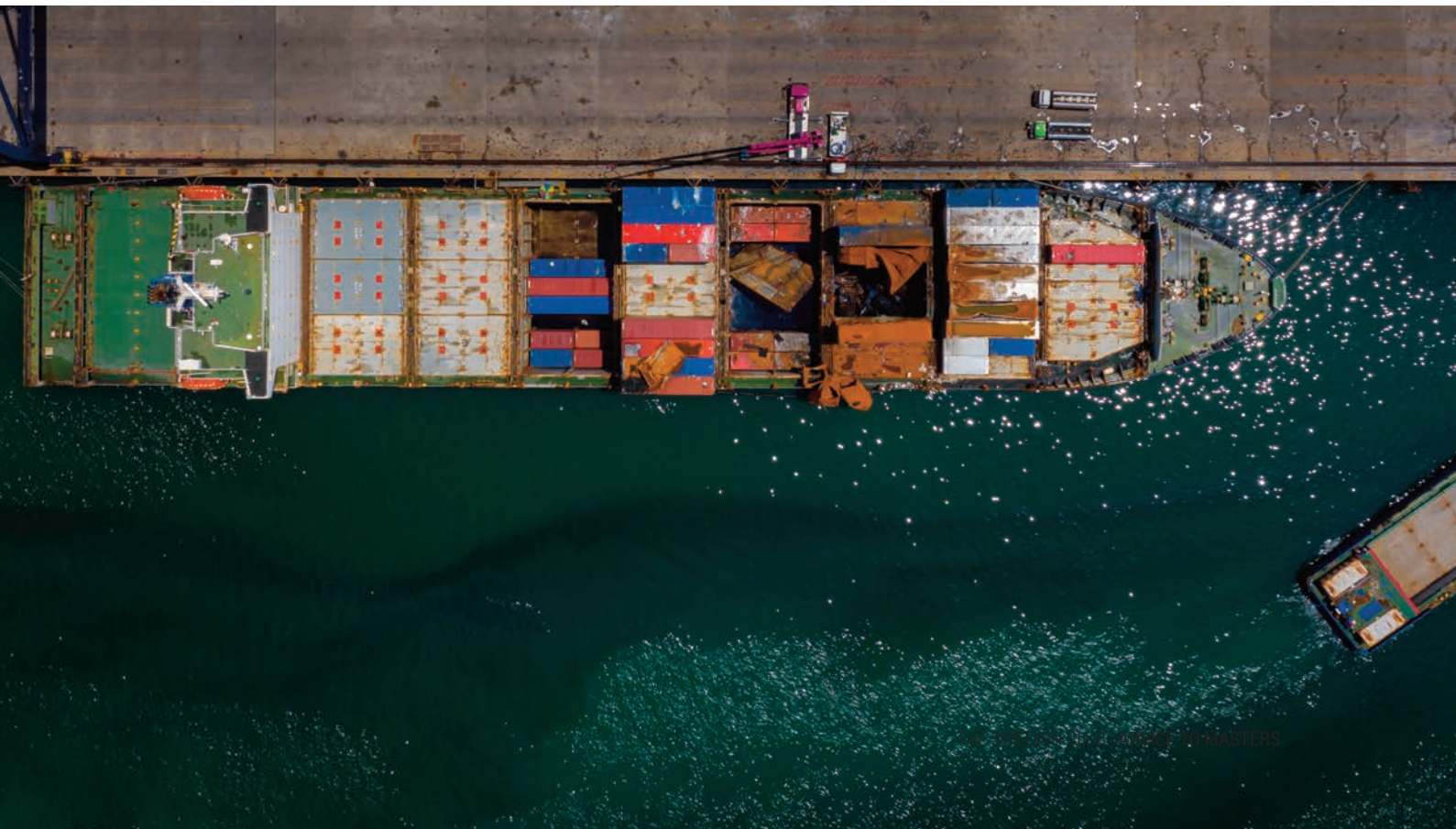
- Damage caused to a vessel or cargo as a result of extinguishing a fire. For instance, cutting holes in bulkheads to access a fire, or water damage to cargo when water has been used to extinguish the fire.
- Jettison of cargo to save the vessel, either when the cargo is jettisoned to control the fire or because the cargo has shifted so as to jeopardise the stability of the vessel.

- Cost for using vessel's equipment and wages to crew during the GA incident.
- Cost of tugs used to re-float the vessel.
- Costs of running the main engine and other equipment to assist in the re-floating. Also, damage resulting from the use of the equipment during the GA incident can be included in the GA expenses.
- Cost of lightering and reloading cargo to re-float a vessel after grounding.
- Expenses incurred in a port of refuge.

General average will normally be declared by the owners, and they will appoint an average adjuster to collect all the facts surrounding the incident and also the average guarantees from the interested parties. To ensure payment of cargoes' contribution under the GA it is essential that the average guarantees (bonds) are collected before the cargo is released to the consignee.

The average adjuster will in some cases appoint a special surveyor who will look at damage and consequences of the casualty with the purpose of identifying those items which are GA-related damages.

Good practice - it is recommended to always record accidents and casualties in the vessel's deck logbooks and engine room logbooks, although there are no compulsory ISM requirements to do so.



Advice to Masters concerning security



Security measures

As a result of actual and threatened terrorist activities there has been a rapid introduction of international and national legislation aimed at increasing the security of countries and ports through stringent and detailed checks and reporting of vessels and cargoes carried. This is regulated by the International Ship and Port Facility Security code (ISPS), which defines the responsibilities of the vessel's Ship Security Officer (SSO), the Company Security Officer (CSO) and the port facility. This is all defined in the Ship Security Plan (SSP), which contains information available for inspection by port State control (PSC) inspectors but also contains sections that are confidential.

It is very important that the Master knows which sections are open to inspection and which are to remain confidential.

This code and its U.S. equivalent, the Maritime Transportation Security Act of 2002 (MTSA), are intended to ensure adequate security measures are in place in order to deter terrorist activities or any other security threat against the vessel or port.

The CSO will, amongst other things, ensure that the SSO performs his or her duties properly and is supplied with sufficient information to do so. However, the Master still has overall responsibility for running the vessel and ensuring that there are no infringements of these regulations, which may lead to delay, or seizure of the vessel.

For full information on the regulations, we recommend you visit the following websites:

www.imo.org for ISPS and www.uscg.mil for ISPS and MTSA.

Piracy

Piracy continues to be a problem for vessels trading in certain areas. Whereas piracy in the Gulf of Aden has reduced in the last couple of years, piracy in South East Asia is increasing. There has also been an increase in piracy attacks in the Gulf of Guinea (GoG).

It is very important that the shipping company and the vessel have identified this problem and have a plan to deal with this risk. BIMCO, ICS, INTERCARGO and INTERTANKO have developed advice when trading in the GoG. *'Guidelines for Owners, Operators and Masters for Protection against Piracy in the Gulf of Guinea Region'* can be downloaded from www.maritimeglobalsecurity.org

These guidelines should be used in conjunction with *'Best Management Practice to deter Piracy 5 (BMP 5)'*. BMP 5 provides information regarding all regions of the world plagued with piracy. We highly recommend that Masters trading in piracy areas obtain relevant information from sources available.



Appendix (i)

FORM OF STOWAWAY DETAILS REFERRED TO IN RECOMMENDED PRACTICE 4.6.2 OF THE CONVENTION ON FACILITATION OF INTERNATIONAL MARITIME TRAFFIC 1965, AS AMENDED

For more information please visit www.imo.org

SHIP DETAILS

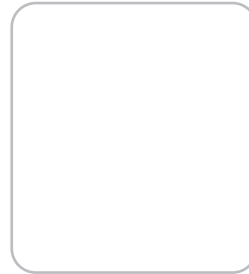
Name of ship:
MO number:
Flag:
Company:
Company address:

Agent in next port:
Agent Address:

IRCS:
Inmarsat number
Post or registry:
Name of master:

Date of birth:
Place of birth:
Claimed nationality:
Home address:
Country of domicile:
ID document type,
eg. passport no.:
ID card no. or
Seaman's book no.:
If yes,
When issued:
Where issued:
Date of expiry:
Issued by:

Photograph of the stowaway



STOWAWAY DETAILS

Date/time found on board:
Place of boarding⁸
Country of boarding:
Date/time of boarding:
Intended final destination:
Stated reason for boarding the ship⁹

Surname:
Given name:
Name by which known
Gender:
First language
Spoken:
Read:
Written

General physical description
of the stowaway:

Other languages:
Spoken:
Read:
Written

Other details

⁸ "Place of boarding" should include port, port facility number, berth and terminal information (FAL.7/Circ.1, related to the Unified interpretation of appendix 3 to the FAL Convention).

⁹ If the stowaway declares himself or herself to be a refugee or an asylum seeker, this information shall be treated as confidential to the extent necessary to the security of the stowaway.

- 1) Method of boarding, including other persons involved (e.g. crew, port workers, etc.), and whether the stowaway was secreted in cargo/container or hidden in the ship:

- 2) Inventory of the stowaway's possessions:

- 3) Statement made by the stowaway:

- 4) Care provided to the stowaway (first aid, clothing, food):

Date(s) of interview(s) _____

Stowaway's signature:

Date:

Master's signature:

Date:

Appendix (ii)

NOTICE OF LIABILITY

M/S _____

at _____

Date _____

To *[insert name of opposing parties]* _____

Dear sirs,

With reference to *[insert description of incident, e.g. the collision between X and Y]*, on the *[insert date and year]* I herewith have to inform you that, on behalf of the owners of the M/S I am holding you responsible for the damage sustained by my vessel as a result of said incident, as well as for all of the consequences arising therefrom.

If not already done, I would propose that our agents/owners be contacted in order to arrange joint surveys of the damages.

My agents are: _____

My owners are: _____

Yours faithfully,

Master, M/S _____

signed

Receipt acknowledged:

[Insert name of opposing parties] _____*signed*





Head Office Gothenburg

Visiting address: Gullbergs Strandgata 6,
Postal address: P.O. Box 171,
SE-401 22 Gothenburg, Sweden
Tel: +46 31 638 400, Fax: +46 31 156 711
E-mail: swedish.club@swedishclub.com

Emergency: +46 31 151 328

Athens

3rd Floor, K4 Complex II, 4 Moraitini & Makariou Street,
Tel +30 211 120 8400

Email: mail.piraeus@swedishclub.com

Emergency +30 6944 530 856

Oslo

Dyna Brygge 9, Tjuvholmen N-0252 Oslo,
Norway

Tel: +46 31 638 400

E-mail: mail.oslo@swedishclub.com

Emergency: +46 31 151 328

London

New London House, 6 London Street
London, EC3R 7LP, United Kingdom

Tel: +44 7470 004 601

E-mail: swedish.club@swedishclub.com

Emergency: +46 31 151 328

Hong Kong

Suite 6306, Central Plaza, 18 Harbour Road,
Wanchai, Hong Kong

Tel: +852 2598 6238, Fax: +852 2845 9203

E-mail: mail.hongkong@swedishclub.com

Emergency: +852 2598 6464

Singapore

4 Shenton Way, #29-01 SGX Centre 2
Singapore 068807

Tel +65 6381 9255

E-mail: mail.singapore@swedishclub.com

Emergency: +852 2598 6464