



The Swedish Club

**Fire! Every seafarer's
worst fear**

Meet our crew
Team Gothenburg

Our digital future

**We're all
in this
together**

The fight against
cyber crime

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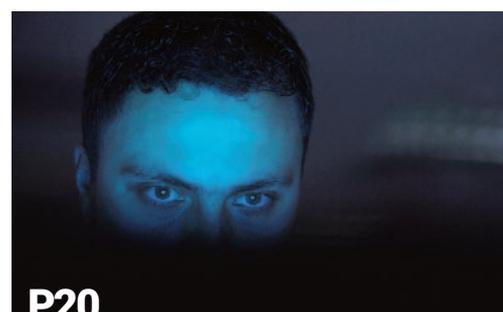
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Beyond statistics

Dear members and associates



As an underwriter you focus on trends in frequency and severity as a way of assessing exposure going forward. This is an exercise in statistics and predictions. Pricing needs to be right and stable. Solvency capital represents the ability to take risk and provides the buffer for volatility. Market behaviour changes over time based on results, cost of capital and capacity.

Many insurance sectors are now occupied with the effects arising from the acronym HIM – Harvey, Irma and Maria – the severe hurricanes that hit land this autumn. These events serve as a reminder how very large claims can hit the industry - when exposure becomes reality. The effect of this series of catastrophes will spill over into many other insurance sectors.

The Swedish Club is so much more than just statistics and number models. Proactivity translates into preparedness and learning. We have an organisation

that is on standby 24/7 to respond. We know that marine casualties will happen, but we do not know when. The Emergency Response Training initiative has become a success and is much in demand. The objective is to provide the comfort that the Club is there to assist, and we should train together. When the unlikely happens, we have the experience to put in responsive action. Learning is loss prevention. The Fire Handbook recently published by the Club has gained recognition in our industry. I recommend you spend some time to study the conclusions.

The previous issue of Triton highlighted our 145th anniversary and, in particular, the AGM events in Gothenburg. Now it is time to mark the occasion of 35 years of dedicated presence in Asia. The 35th anniversary celebration of the Hong Kong office was shared with members and associates in October at the Hong Kong Club and in Shanghai. Our Asian membership has grown steadily over the

years. We are known for our quality approach – an approach that is mirrored by the developing membership.

The Club is all about service to members and the Club's people who are committed to deliver. Members and stakeholders are invited to 'meet the crew'. We have had changes of the guard in Team Gothenburg. The new leadership has hit the ground running and is keen to serve.

Many interesting topics and social events are featured in this edition of Triton. I hope you enjoy reading it. 🐙

Lars Rhodin
Managing Director

Safety scenario

Grounding in unsurveyed waters



By Joakim Enström, Loss Prevention Officer

Each month the Club's Loss Prevention department 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

Synopsis

A vessel had been loading in a European port and the navigation officer fixed the passage plan for the next port of call which was in Mexico. Prior to departure the Master received a weather routing voyage plan, which suggested a route over the Silver Bank and via the Windward Pass to Mexico.

After checking the entire route on the ECDIS and on the paper charts, the Master decided to follow the suggested weather routing route.

The navigation officer planned the route in the ECDIS and also on the paper chart and established that the minimum depth the vessel would encounter along the route was in the Silver Bank with a depth of 16 metres according to the British Admiralty chart 3908.

Company procedures

The vessel's draft was 7.5 metres, so a 16-metre water depth was considered acceptable as per the company's ISM under keel clearance procedure. The procedure stated that there has to be a minimum of 20% under keel clearance of the maximum draught.

Admiralty chart

On the British Admiralty chart the Silver Bank is marked "Inadequately Surveyed" in three places. Where the navigation officer had planned the route there was no specific mention of unsurveyed

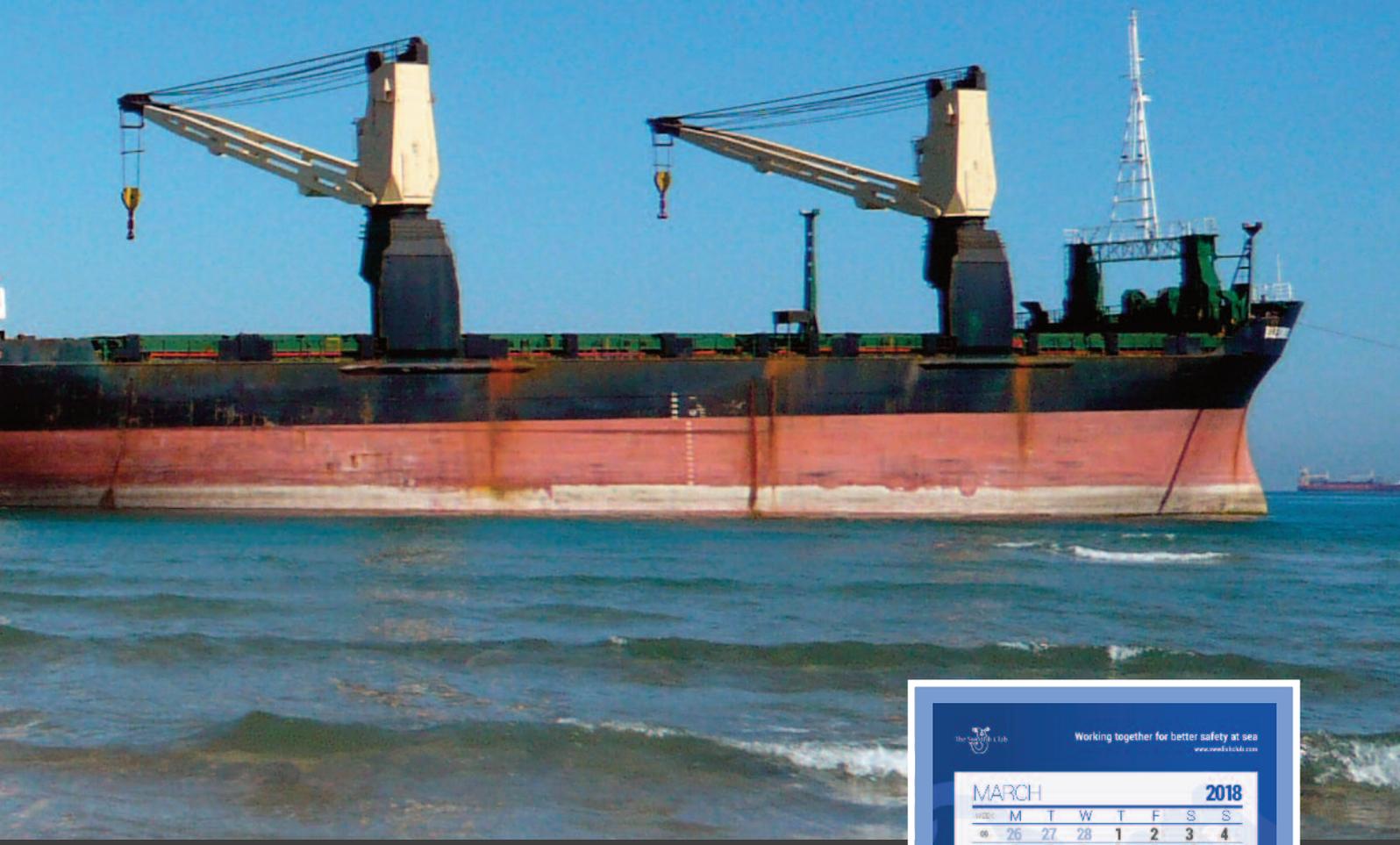
waters. The navigation officer didn't use any Admiralty Sailing Directions for reference when preparing the passage plan.

After checking the entire route on the ECDIS and on the paper charts, the Master decided to follow the suggested weather routing route.

The passage was uneventful over the Atlantic from Europe and the vessel maintained a speed of 13.5 knots.

Unexpected behaviour

Shortly after entering the Silver Bank the vessel's bow suddenly swung to starboard, which caused a list for about 3 to 5 seconds, with excessive vibration. The OOW changed to hand steering. A couple of minutes later the vessel's bow swung to starboard, but this time with less vibration. The vessel's bow swung a third time to starboard and listed for about 3 seconds, with vibrations.



It is important to carry out a two-person check on critical operations such as a passage plan.

Damage assessment

After carrying out a damage assessment the vessel continued the voyage to the next port of call. It was found that the forepeak tank and a water ballast tank had water ingress. All the fuel tanks were intact.

The vessel arrived in Mexico and discharged the cargo and carried out an in-water survey. It was found that the tanks had been punctured as the vessel had touched bottom. The vessel had to be repaired in dry-dock.

Issues to consider

In the Admiralty Sailing Directions, Volume 1, fifth Edition 2011, which was provided on board, the West Indies Pilot chapter states under paragraph 3.8 that the Silver Bank has not been closely examined and it is not advisable to attempt to cross it.

When preparing the passage plan these sailing directions had not been reviewed before or after making the voyage plan.

Ensure all reference literature is used when preparing a passage plan. It is also important to carry out a two-person check on critical operations such as a passage plan. It is more likely that another person will find a mistake rather than just carrying out a double check of your own work. 🇸🇪

It was found that the tanks had been punctured as the vessel had touched bottom. The vessel had to be repaired in dry-dock.

The Swedish Club
Working together for better safety at sea
www.swedishclub.com

MARCH							2018
MON	TUE	WED	THU	FRI	SAT	SUN	
26	27	28	1	2	3	4	
5	6	7	8	9	10	11	
12	13	14	15	16	17	18	
19	20	21	22	23	24	25	
26	27	28	29	30	31	1	
2	3	4	5	6	7	8	

The Swedish Club
MONTHLY SAFETY SCENARIO
Calendar 2018

The Swedish Club is pleased to announce the launch of the 2018 Monthly Safety Scenario Calendar. The calendar is designed to assist members in their efforts to comply with international safety regulations and to follow best practice. Tear-off worksheets have been designed to be used in monthly safety meetings and are based on real life incidents that have occurred on board other vessels. For your copy of the calendar, please contact us at swedish.club@swedishclub.com.

Sea Traffic Management - a new concept

Sea Traffic Management (STM) is a new concept, which introduces simplified, real-time information sharing in the shipping industry. It will help seafarers' decision making on board in three ways:

- Establishing a common situational awareness
- Offering easier access to shore-based services
- Eliminating risk situations before they occur

Today's bridge officers use a great deal of digital information to build their situational awareness - GPS, radar, AIS, and ECDIS. However, one important piece of the jigsaw is missing - the intentions of the other ships in the area. Whilst mind reading could come into play, STM uses an easier method: information sharing. The intended route in the ECDIS of the ships is shared over AIS, allowing officers an insight into the intentions of all ships in the vicinity.

As all vessels have access to the same information, a common situational awareness is established. Instead of worrying what others might do, the crew actually knows their planned route, and can choose to receive a notification if other vessels deviate from their plan. In order to avoid information overload, the officer can also choose which ships' intentions to display.

Sharing voyage plans

In addition to opening up a whole new universe of possible services, the technology can improve many existing services. One benefit is that a ship can receive voyage plans as routes displayed in the planning station or ECDIS instead of as coordinates in an e-mail. Weather optimisation provider, Swedish Meteorological and Hydrological Institute (SMHI), estimates that by sending three alternatives in the route format, along with supporting text, the bridge officer will take

the correct action without need for further consultation.

Improved fuel efficiency

The system also improves fuel efficiency, allowing the port to communicate berth UN-availability well in advance, allowing the vessel to slow down, saving fuel and reducing unnecessary anchoring time. 13 European ports within the STM Validation project are working to optimize the port call process, using standardised message formats which convey real time information to ships planning to berth.

Improved safety

In addition to route exchange between ships STM has identified two services that are directly safety related. The first is route cross-check. Although this is carried out automatically by the ECDIS when route planning, the human factor still comes into play. For a number of years the Finnish VTS has asked ships entering the Gulf of Finland to submit their routes for verification, and twice in four years, the VTS has spotted routes over too shallow water. This service could be extended to wider areas and could also be automated. It could even be provided by ship operators or



By Ulf Siwe, STM Validation Communications Officer Research and Innovation, Norrköping, Sweden

Ulf Siwe has extensive experience in the IT industry, joining the maritime industry in 2013. He is the author of several scientific papers on e-navigation and IT infrastructures.

insurance companies as a way to increase safety among 'their' fleet and reduce the number of groundings.

In areas with dense traffic and shallow waters like the North and Baltic Seas, groundings are quite common, and larger fleets have the services of a Fleet Operations Centre to help avoid common mistakes such as missing, or taking the

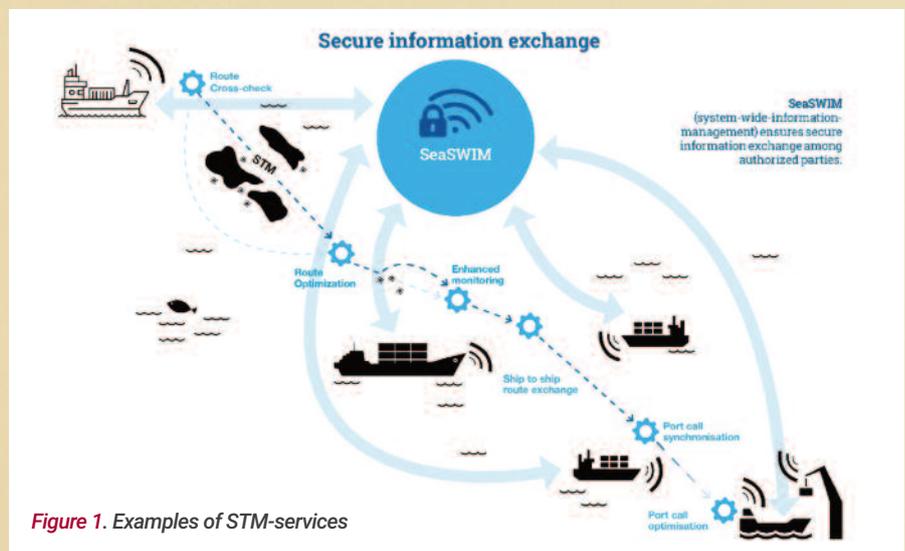


Figure 1. Examples of STM-services

ew alternative to mind reading

wrong course at a waypoint. An enhanced monitoring service can contact the ship in the case of immediate danger, or according to the guidelines set by the ship. Thus even smaller companies would have the same assistance as the larger ones have today.

Using Flow Management to eliminate risk

Imagine a traffic planning function, which can foresee risk situations many hours ahead based on the planned and shared routes of the ships. The planners could support the bridge officers and operations departments at shipping companies by advising ships on minor speed changes and in exceptional cases alternative routes in order to reduce the number of potential

risk situations. This system of Flow Management is already widely used in both aviation and in the logistic field.

Pilot testing

Early calculations based on the traffic in the Kattegat show huge potential in reducing the number of groundings and collisions, see table 1.

A multitude of different implementations and providers of this service can be envisioned. Insurance companies could play an important role, perhaps not as direct providers but as advocates and influencers, creating incentives for shipping companies to sign up for the range of safety initiatives offered by the STM system. 

Table 1. Potential risk reduction for navigational accidents caused by human errors

Risk reduction rate	Collisions	Groundings
Flow Management by flow optimisation	58%	6%
Flow Management by enhanced monitoring	5%	64%
Dynamic Voyage Management by route exchange	52%	8%
Weighted combined rate	81%	69%

(Source: MONALISA 2.0 – Formal Safety Assessment, SSPA)

The STM Validation project

An EU-project with more than 50 partners in 13 countries, and a budget of 43M euro – 300 ships and 13 ports are involved with testing the system using real-time information sharing to authorised relevant parties in the maritime transport chain. The STM Validation project builds on the preceding MONALISA projects.



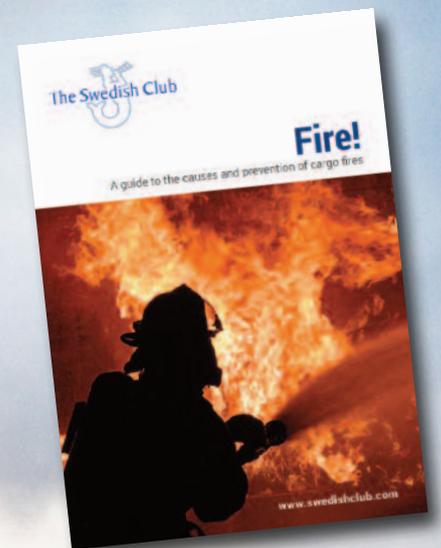
Fire!

Every seafarer's worst fear

Cargo fires occur so infrequently that awareness of the risk can slip under the radar. Yet such an incident on board a vessel can have disastrous consequences including loss of life or catastrophic loss of the vessel involved. With the average cost of a cargo fire at several million USD, cargo fires are not a risk to be overlooked.

The Swedish Club, working in conjunction with Burgoyne's, experts specialising in the investigation of fires, explosions and other major incidents, has produced a handbook, *'Fire! A guide to the causes and prevention of cargo fires'*, which can be used alongside the regulations to assist seafarers in their daily loss prevention efforts

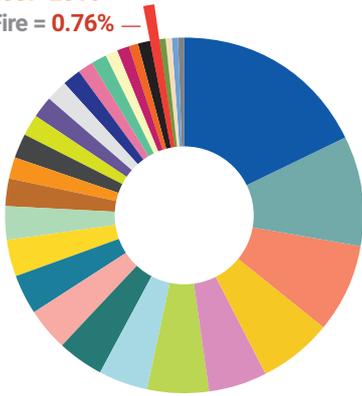
'Fire!' offers loss prevention advice on a number of incidents – focusing specifically on self-heating cargoes, but also examining those vessel fires caused by other sources such as cargo hold lights, fumigation, movement of cargo and of course smoking and hot work. It also highlights how different vessel types fare when the



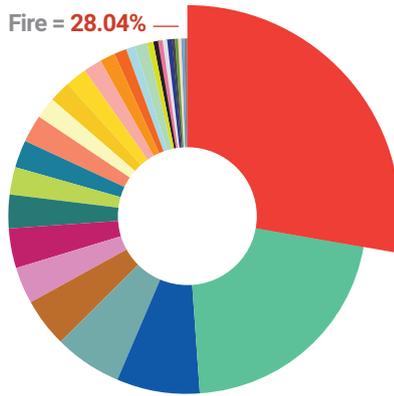
“When a fire breaks out on board a vessel there is no fire service ready to assist in extinguishing it.”



Total number of P&I cargo claims
2007-2016
Fire = 0.76%



Total cost for all P&I cargo claims
2007-2016
Fire = 28.04%



(Claims cost =>USD 5.000 – uncapped, immediate cause)

and the crucial importance of fire prevention.”

Burgoynes Partner, Neil Sanders, explains: “Self-heating and related issues can affect a wide variety of cargoes including coal, iron in the form of direct reduced iron (DRI), metal turnings, charcoal, seed cake, biomass, fertilisers, solid chemicals and liquid chemicals. Whilst the full relevant International Maritime Solid Bulk Cargoes Code (IMSBC) or International Maritime Dangerous Goods Code (IMDG) requirements must always be understood and followed, *‘Fire!’* is aimed at supporting that understanding, and providing valuable support to the seafarer.”



Joakim Enström, Loss Prevention Officer

frequency of cargo fires is compared. Tanker figures are found to be relatively low, a testament to the tight regulation and safety culture that exists in this industry. On the other hand ro-ro figures are surprisingly high due to the non-homogeneous nature of the cargo they carry.

Joakim Enström, Loss Prevention Officer, at The Swedish Club is clear about the importance of the guide: “When a fire breaks out on board a vessel there is no fire service ready to assist in extinguishing it – that is up to the crew themselves. All those who have worked on board a vessel are aware of the difficulties involved with managing a fire



Neil Sanders, Partner, Burgoynes

Burgoynes is an international partnership specialising in the investigation of incidents including fires, explosions, engineering and materials failures, and chemical and contamination problems. The company provides scientific and engineering advice to the marine and land-based legal, insurance and commercial sectors.

“Self-heating and related issues can affect a wide variety of cargoes.”





Punching above its weight

Europe's P&I clubs have issued their first Solvency and Financial Condition Reports (SFCR) and, with cover of 232%, The Swedish Club delivered an excellent set of results, taking third place among the clubs in terms of available capital compared to the Solvency II requirement.

"We are delighted with this outcome" says Mikael Kromli, the Club's Director, Finance, Risk Management & IT.

"We now have one more platform – a set of credible statistics – on which we can communicate to present and future members that we can be fully trusted to be there to honour our financial commitments even under the most difficult conditions and scenarios."

Solvency II requirements

Solvency II is a regime that requires insurance providers to take a risk-based approach to every aspect of their business. The regulations demand publication of an annual SFCR and also quarterly solvency ratio calculations. The SFCR complements the traditional Annual Reports, which predominantly provide an accounting perspective on operations, explains Mikael.

"The SFCR provides more insight into the risks of operations and the venture's financial strength to handle these risks."

Through the SFCRs, we get access to a new set of highly relevant measures with which we can compare ourselves with our peers.



Mikael Kromli, Director, Finance, Risk Management & IT

“By going through this process, the whole organisation’s awareness and understanding of our risks has been elevated.”

“The SFCR provides more insight into the risks of operations and the venture’s financial strength to handle these risks,” he says. “Solvency II regulations further add value by providing a common set of rules for presentation and calculation of risks and financial strength. Public reporting of these numbers makes it a level playing field. Every club in Europe is required to apply the same methodology and that makes the figures very comparable.”

Results

The results published by The Swedish Club confirm that it has run, and continues to run, diligent operations, he

adds. “We are dependable and consistently stick to what we are good at: risk selection, risk prevention, efficient handling of claims and prudent investment portfolio management.”

By providing the perspective of the regulator EIOPA, Solvency II reporting is an important complement to the independent measures of rating agencies, says Mikael. “The Swedish Club is delighted to show exceptional robustness in relation to Solvency II and currently holds an A-excellent rating from AM Best and a BBB+ rating from Standard & Poor’s.”

Meanwhile, the increase in P&I income is a show of the market’s confidence in the Club as an attractive insurer, he

emphasises. “Our outpacing growth of free reserves is a reflection of our overall financial performance relative to our peers. We deliver on our promises, and the Club attracts quality-minded members.”

A learning curve

The work involved in preparing for the Solvency II requirements was certainly considerable. “We needed to put a lot of work in to understand the regulations and be clear on the information we needed to gather, and the calculations we needed to do. But there was also the practical side of reporting, involving specific data tables and formats. So the work was technical and practical as well as actually learning the new rules. Having said that, it has been a learning curve not only for us, but also for the authority.

“Now we fully understand the regulations and how to calculate factors according to the standard rules and formats. With all of that in place, we can report much more quickly in the future.”

In good shape

The main message, he says, is that The Swedish Club has emerged from the process in good shape, with excellent results and some added extras. “Of course, our core business is all about handling risk and understanding the risks we are exposed to. But by going through this process, the whole organisation’s awareness and understanding of our risks has been elevated. Clearly, the final outcome – that we came out well comparing our solvency ratios to peers – is an internal morale boost and an added attraction for our members, both present and potential.”

He concludes: “We have the knowledge, ability and track record to consistently perform with confidence. I am happy that we now, through the SFCRs, get access to a new set of highly relevant measures with which we can compare ourselves with our peers. ☺”



The Swedish Club’s Member Satisfaction Survey 2017

The Swedish Club’s recent member and business partner survey brought encouraging feedback, with 98% of respondents ‘satisfied’ or ‘very satisfied’ with the Club as their insurance partner. “Although the results are high, we always strive for further improvement in all areas,” says Lars A. Malm, Director, Strategic Business Development & Client Relations.

Top quality service provider

The survey, previously carried out every second year, is now being sent out annually. “It’s important to emphasise that the whole survey is followed up; we look carefully at the responses to pin-point areas we can work on,” says Lars. “The basis of this survey is how our members and business partners perceive the Club’s service quality, response speed, and how we handle claims.”

As well as the 98% overall satisfaction, the survey showed a 98% ‘excellent’ or ‘good’ rating for The Swedish Club’s underwriting department. For quick response in urgent matters in claims handling, the Club scored 95% ‘excellent’ or ‘good’ for P&I claims

handling, 90% for FD&D and 91% for H&M. That was matched in ratings for the departments’ decisive action in urgent matters: 89% ‘excellent’ or ‘good’ for P&I claims, 80% for FD&D and 85% for H&M.

Publications

Members and brokers were asked to comment on the Club’s Loss Prevention publications and which ones they found most interesting. The top five were P&I Claims Analysis, Navigational Claims, Anatomy of an Accident, Claims at a Glance and Main Engine Damage. Respondents were also asked where they required more information. The top five areas for the Club to focus on were P&I publications, case studies, H&M publications, member alerts and hot topics.

“We produce a number of high quality Loss Prevention publications and it is important to see the ones that are most relevant to our business partners”, says Lars. “People find it interesting to read about actual cases. Our members also appreciate the member alerts - and these are areas in which we will continue to focus.”



By Lars A. Malm
Director, Strategic Business Development & Client Relations

The Swedish Club website

We are pleased that 92 % of the respondents stated it was easy to find what they are looking for on www.swedishclub.com, he adds. “We work hard to cover subjects which interest our readers and would attract them more often – including our monthly safety scenario. We focus on information that adds value and is of practical use, and we add member alerts or news on a daily basis if required.

“When we publish Loss Prevention articles on the website, the traffic increases quite

radically. But at the same time, we don't want to swamp people with too much information."

The Club also develops Loss Prevention publications and studies in partnership with others – one examples is the recent success of a joint publication with Burgoyne on the causes of cargo fires.

Sharing findings

"We are highly interested in teaming up with top quality business partners in this way," says Lars. "Projects that make it safer to operate a ship are good for the environment; and can decrease loss of life or damage to machinery are of great interest to the industry. After 145 years in marine insurance, we have an excellent database to work from. We feel that it is part of our commitment to improved safety at sea to share the findings and discuss them. Claims at a Glance, Main Engine Damage, Auxiliary Engine Damage and MRM are all key areas where we have added value to the shipping community."

Moving forward

What will the Club take from the survey overall? "The results are an indication that what we are doing is well received and according to plan – to be always service-minded, give that extra effort and always be available. These are key areas of our quality message. The Club's focus on commitment and reliability spreads through the whole organisation.

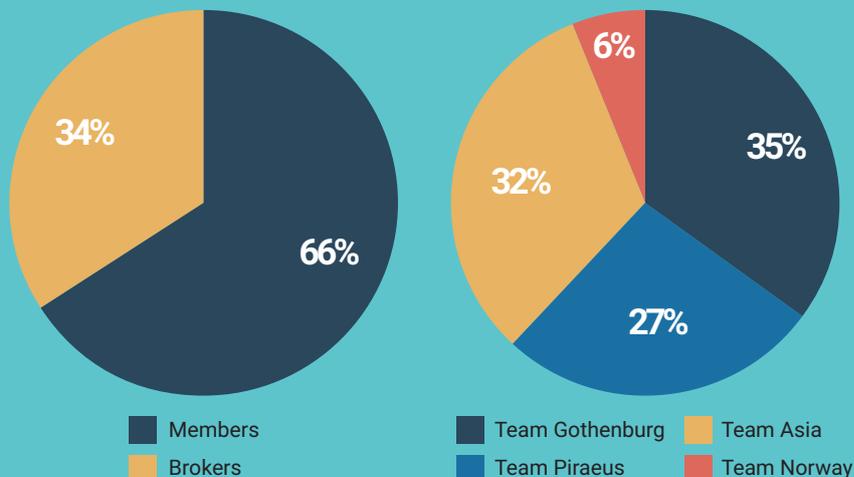
"If a member contacts us at any time, we will always be there and ready to provide a service. Our claims settlement teams are dedicated and committed, – this is very much cross-functional work, with our in-house experts co-operating to resolve a case."

In essence, he says, the survey needed to answer the question: 'Are we still perceived in the way we want to be perceived? Are we doing what we say we do?'

"The survey confirms that we deliver high quality, giving us guidance on areas where we can do better. We will continue with our Loss Prevention programme and increase our efforts for cooperation with other partners. All of these initiatives are aimed at making life safer at sea, reducing claims and frequency of claims - because that way, everyone wins." 🚢

Executive Summary

Responses



% of respondents*

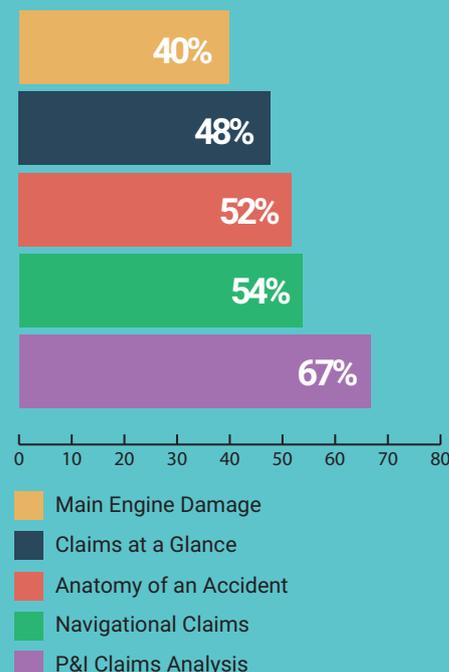
98%	Satisfied to very satisfied with The Swedish Club as their insurance partner
98%	Excellent + good regarding overall view of the Club's Underwriting dept.
95%	Excellent + good regarding P&I claims handling – quick response
90%	Excellent + good regarding FD&D - quick response
91%	Excellent + good regarding H&M - quick response

* total no of respondents: 100, survey via Netigate, Sweden, Oct 2017.

More information required on the following top five



Top five Loss Prevention publications of interest



Conducting discovery in the United States for use in foreign proceedings

A discovery tool which has gained in popularity recently is the § 1782 Application whereby a U.S. District Court can order discovery to be provided in the United States, using U.S. discovery procedures, for use in foreign proceedings. If the witness or entity with relevant information is subject to the jurisdiction of the Court, foreign litigants can petition the U.S. Court to obtain the relevant discovery from that witness or entity. The leading case concerning § 1782 petitions is *Intel Corp. v. Advanced Micro Devices, Inc.*, 542 U.S. 241 (2004).

A. The Mandatory Factors

In reviewing an application for discovery pursuant to 28 U.S.C. § 1782, Courts must determine whether the applicant has made a prima facie showing of three threshold statutory requirements:

1. The person from whom discovery is sought is subject to the Court's jurisdiction

This test simply requires that the person or entity from whom discovery is sought is subject to the Court's personal jurisdiction. The §1782 application must be filed in the district in which the witness or evidence to be produced resides or can be found. Effectively, this is anywhere in the United States. Applications seeking discovery from fact witnesses, expert witnesses, banks, ships' officers and crew, and even U.S. counsel for foreign clients have been approved.

2. The discovery sought is for use in a foreign tribunal

This is often the most contentious issue. The Supreme Court in *Intel* set forth guidelines for what constitutes a 'tribunal'



By Thomas L. Tisdale, Director, Managing Partner, Tisdale Law Offices, LLC, New York

for purposes of § 1782. The Supreme Court applied a functional approach and examined the nature and characteristics

This procedure can be used for any sort of dispute, so in terms of maritime claims it could potentially be used for everything from cargo claims to charterparty disputes to collisions.



Discovery

Discovery is a pre-trial procedure in a lawsuit in which each party, through the law of civil procedure, can obtain evidence from the other party or parties.

It is possible to take advantage of the very broad discovery provisions in the US courts to obtain evidence for e.g. a London arbitration or a foreign court proceeding where evidence relating to those proceedings is within the jurisdiction of the US courts.

For instance, where a vessel calls at a US port, it is possible to apply for a court order on an ex parte basis so as to either obtain / secure physical evidence, or subpoena and then depose (interview) a crew member who is a witness of fact (for instance in a collision claim). This can also be done in other ways, for instance depositing an expert, or say a company director so as to establish that two companies are under the same beneficial ownership.

It is not a requirement that litigation is ongoing: it is sufficient if litigation is in reasonable contemplation. This procedure can be used for any sort of dispute, so in terms of maritime claims it could potentially be used for everything from cargo claims to charterparty disputes to collisions.

The foreign action need not be pending when the Application is filed. It is sufficient that it is within the reasonable contemplation of the Applicant.

In considering whether to allow discovery, courts should err on the side of ordering discovery, since foreign courts can easily disregard material that they do not wish to consider.

of the tribunal's activities with respect to the matters that it decides to investigate and adjudicate.

Numerous courts have recently held that private, commercial arbitration is a 'tribunal' and that discovery in aid of an London Maritime Arbitrators Association (LMAA) arbitration is proper under § 1782. Other tribunals for which discovery under § 1782 has been sought, in addition to foreign courts and LMAA arbitrations, include the European Court of Human Rights, the Commission of the European Communities, Querella Criminal proceedings, and others. The foreign action need not be pending when the Application is filed. It is sufficient that it is within the reasonable contemplation of the Applicant.

3. Applicants are 'Interested Persons' In the foreign proceeding within the meaning of §1782

The Supreme Court has acknowledged that the term 'interested person' should be interpreted broadly and includes both the foreign litigants as well as other parties who possess a reasonable interest in obtaining judicial assistance.

B. The four discretionary factors

Once the aforementioned requirements are met, the *Intel* Court delineated four additional discretionary factors that a district court must consider in evaluating whether to exercise its discretion in favour of the application for discovery. These factors are:

One. When the person from whom discovery is sought is a participant in the foreign proceeding, the need for § 1782(a) aid generally is not as apparent as it ordinarily is when evidence is sought from a nonparticipant in the matter arising abroad. A foreign tribunal has jurisdiction over those appearing before it, and can itself order them to produce evidence.

Two. A court presented with a § 1782(a) request may take into account the nature of the foreign tribunal, the character of the proceedings underway abroad, and the receptivity of the foreign government or the court or agency abroad to U.S. federal-court judicial assistance.

Three. A district court could consider whether the § 1782(a) request conceals an attempt to circumvent foreign proof-gathering restrictions or other policies of a foreign country or the United States.

Four. Unduly intrusive or burdensome requests may be rejected or trimmed.

The most often contested issue concerns the second factor, whether the foreign tribunal will be receptive to the requested discovery. However, the burden of demonstrating that the foreign tribunal would be unreceptive to the evidence rests with the party opposing the application. District courts are generally instructed to accept only authoritative proof that a foreign tribunal would reject evidence obtained with the aid of § 1782.

Generally, in considering whether to allow discovery, courts should err on the side of ordering discovery, since foreign courts can easily disregard material that they do not wish to consider. District courts must exercise their discretion in light of the twin aims of § 1782: '[1] providing efficient means of assistance to participants in international litigation in our federal courts and [(2)] encouraging foreign countries by example to provide similar means of assistance to our courts...' See e.g., *In re Metallgesellschaft AG*, 121 F.3d 77, 79 (2d Cir. 1997).

Section 1782 Applications can be powerful tools for obtaining discovery which might be difficult or otherwise beyond a party's reach in foreign proceedings. 🚀

Bringing the TS Taipei story to life

The story of the TS Taipei, its break up and subsequent recovery has attracted interest from around the globe. Ship operators, environmentalists, government organisations, insurers – this story of transforming disaster into a human triumph appealed to all.

But how best to tell it? After all, The Swedish Club still has its day job to do and interest in the case does not seem to be waning.

The answer has been to commission a short documentary, which tells the story of the Taipei and examines key elements of the complex operation. This is now being rolled out to the Club's members and business colleagues through a programme of visits throughout the year.

Lars A Malm explained: "We were proud of the team's achievements, the relationships we built up with the authorities and the strategy that we used to limit both damage to the environment and costs.

"Looking back, we realised that we had a great deal of footage of the event, which could be incorporated into a newsreel. Even better, this format would also allow those were involved on the ground to tell their own story."

In addition to material taken at the time of the event, Lars Malm is interviewed about the Club's priorities. He talks candidly about the relationship that the Club built up with the authorities at the time and the value of the trust gained which then allowed the Club the flexibility to run operations in the way they saw best.

Julia Ju, who took a hands-on role during the operation, talks about the importance of rapid decision making and the need to predict likely outcomes very early in the process. "Our onsite expertise enabled us to swiftly control the situation, she said: "The Swedish Club's handling of the TS Taipei struck a chord with our members, and has boosted their confidence in us."

The Taipei documentary provides a fascinating insight into a small piece of history, and can be viewed at www.swedishclub.com/media/films.



Julia Ju, Claims Manager, Team Asia

TS Taipei

In March 2016 the 168-metre long container ship, TS Taipei was blown aground 300 metres from a scenic beach off Shimen, Taiwan. Bad weather continued and 14 days later the ship broke in two; allowing at least 100 cubic metres of bunker fuel to leak into the sea. Yet after 151 days a P&I claim that could have pushed USD 70 million was kept to USD 35m, and the Taiwanese authorities held a seminar and celebration dinner to mark completion of the wreck removal and clean-up, and presented medals to the salvage contractors involved.



Thanks to: Wayne Wong, Sandbox, Hong Kong; JeNs Productions, Sweden and Smit Salvage

Inter-Club Agreement: Room for interpretation?

The Inter-Club Agreement (ICA) was created in 1970, by the International Group of P&I Clubs (IG) to simplify the apportionment of liability for cargo claims between Owners and Charterers. The intention was to cut through arguments about responsibility for such claims, which in the past had too often resulted in lengthy, expensive disputes. Commonly the ICA is expressly incorporated in the New York Produce Exchange charterparty.

New versions of the ICA were introduced in 1984, 1996 and an amendment in 2011. The main difference relates to the provision of securities and counter securities between clubs when an undertaking was provided to the cargo claimants. Through all these versions the spirit of the ICA has been that the clubs should cooperate with each other in order to save time and costs. Unfortunately, in spite of these good intentions, this does not always work so well in practice.

Ambiguity

Difficulties often arise due to the description of the ICA versions as 'amendments' or 'replacements'. The ICA 2011 is described as an 'amendment' to the 1996 version which in turn was a 'replacement' of the ICA 1984. Ambiguity may arise when, for example, an ICA incorporation clause reads as follows: 'the parties agree to settle the cargo

claims according to the ICA of February 1970 and its *reprints of May 1984 or its latest amendments*'.

Unfortunately the above wording is not ideal, as strictly speaking, the ICA 1996 was not an amendment of the 1984 version, but rather a completely new one. Consequently, one possible interpretation of the above wording is that the ICA 1984 applies, as the ICA 1996 was not an 'amendment' per se. As per this interpretation the party who had provided security to the cargo claimant would not have any express right to counter-security from their contractual counterparty. But is this what the parties intended when they signed the charterparty? Is this in the spirit of the ICA?

Common sense

The issue of contractual construction remains unsettled under English law. One method of construction is to give effect to the strict wording of the contract which would make the ICA 1984 applicable to the above charterparty. However, the balance of authorities support an alternative approach that takes into account commercial common sense.

A commercial tribunal would probably be more likely to adopt the latter approach by trying to give effect to the parties' (apparent) intention arguing that when the contract was signed in 2017 the parties



By **Dimitra Chourdaki**, Claims Executive, Team Piraeus

intended the latest version of the ICA to apply, i.e. the ICA 1996 as amended in 2011. Otherwise, why make reference to 'latest amendments'? Any other interpretation would mean that this wording was simply redundant.

It should be noted that the commercial common-sense interpretation also accords with the IG's recommendation that the ICA 2011 should apply to all NYPE/Asbatime charterparties whenever entered into, whether or not they incorporate the ICA 2011 or any other version. 🇬🇧

The Swedish Club, based on the IG's recommendation, suggests the following wording of the ICA incorporation clause to avoid disputes: 'Cargo claims as between Owners and Charterers shall be settled in accordance with the International New York Produce Exchange Agreement 1996 (as amended 2011) or any subsequent modification or replacement thereof'.

The intention of the ICA was to cut through arguments about responsibility for such claims, which in the past had too often resulted in lengthy, expensive disputes.



Our digital future

Mark Warner, head of marketing communications at Inmarsat, is at the centre of the digital revolution: “A lot of what we are hearing about digitalisation now reminds us of what we heard in the dotcom boom days around the turn of the century. But what is different is that the world has moved on. Two decades ago, people weren’t used to Uber or Amazon or Airbnb; with no consumer perspective, they simply didn’t get it. Now they understand it a lot better – and it isn’t just the millennial generation.”





Mark Warner, Head of Marketing Communications, Inmarsat

Digital disruption

He describes digital disruption as 'taking on board the pain and finding an alternative way of solving those pains'. He acknowledges that shipping will always move more slowly, partly because of its fragmentation, but emphasises: "Shipping has already adopted digitalisation – think of ShipServ and the way it transformed procurement, or RightShip's approach to ship vetting. But there is no one-size-fits-all digitalisation."

Connectivity

This is all about communication and connectivity, he says. Vessels are now achieving connectivity rates comparable with shore rates. From a business perspective, the ship is effectively a floating office. "Look at what the engine manufacturers are doing – placing sensors all around the engine so that they can see what their engines are doing.

"Sensors and connectivity enable shipowners or operators to monitor everything that is going on – hull performance, emissions, fuel consumption, speed - all in real time. The whole ship is digitally connected and 'always on'. This is digitalisation from the operational and business efficiency side – and much of this is driven by emissions regulations as well."

Business transformation

The Internet of Things (IoT), machine to machine (M2M) and blockchain are all set to transform what can be achieved and how. If a cargo owner wants to delay taking possession of a cargo which is already crossing the ocean, the storage temperature of that cargo could be reduced remotely while the ship is at sea. Routes can be changed in real time. Problems with the engine can be picked up before the Chief Engineer spots them.

Connectivity isn't a luxury any more, Mark points out – and that extends to crew.

"There is a real mindset shift in terms of what crew expect. Today's crews expect to go on board a ship and get shore-comparable speeds in terms of Skype and so on. We still have a manning crisis and decent connectivity at sea will impact more and more on the retention of crew."

In general terms, he predicts that we will see more and more business start-ups bringing new and useful applications to the market. Shipowners and operators need to be ready to take up the best of these.

"And that is about changing mindsets. You will find digital transformation divisions in a lot of companies – but it has to be not just that division that is driving this. Digitalisation must transform the way the company works, so it requires mindset changes throughout the organisation. The most successful companies are those that drive this from the top down.

"That said, the CEO doesn't have to be a digital whizz – but they need to trust people who know what to do, and they need to be an advocate. It isn't just IT and it isn't just someone else's department – they need to get across the message that digitalisation affects everyone and the changes and opportunities it brings must be embraced across the company."

Gerd Leonhard, a world leading futurist, speaking for Inmarsat at London International Shipping Week, has a clear vision for the future.

"Business as usual is dead and the shipping industry had better get used to it. It is no good complaining about overcapacity and leaving it there. That's like saying in the music business 'we have people downloading for free and that's the problem'. Well, that's not the problem – the problem is that we haven't adapted to the future. There is one thing about making the present better and improving, through innovation. And there's another thing – total transformation. "We are going to see the big

online platforms such as Alibaba entering transportation and logistics," he said. "Shipping needs to get ready for rapidly increasing rates of change.

"Your ability to think 'from the future' as opposed to 'about the future' is critical. Data is the new oil and artificial intelligence is the new electricity.

"Speed' isn't generally the word one associates with change in the shipping industry. And the fragmented nature of the industry is a major reason for that."



We're all in this together

The fight against cyber crime

Mark Sutcliffe, Director of security experts CSO Alliance, wants to start a conversation. He wants to hold this conversation with everyone involved in shipping and the entire supply chain. "It's time to build trust and mobilise the global community to fight back against organised maritime crime," he says. "There is a huge focus on safety in shipping, but there has not been such a strong security culture – that is a problem and it needs to change."

The CSO Alliance is working with a membership of 400 Company Security Officers from 40 countries, who share ideas and information in their determination to resist the world's well-resourced, highly innovative maritime criminals.

"We are like a 'Neighbourhood Watch' scheme, aiming to deliver security through community," he says.

Sharing information

Attacks on ships are hardly 'new' news – and yet the shipping industry is not very good at rapidly communicating crime. Hence, for example, phishing emails can cause significant damage many times over, when they could be stopped in their tracks much earlier if information was shared.



Mark Sutcliffe, Director, CSO Alliance

"We are seeing more and more CSOs and cyber responsible shipowners and employees who want to share information with others, in real time, to alert others."

Statistics show that since January 2013, 1,048 merchant marine ships were successfully boarded worldwide, from 1,781 reports, says Mark. But IMB report in West Africa an estimated 63% of crime is not reported, and that reluctance to share information is, in effect, playing into the criminals' hands.

"We need a culture change to break the established cycle and build trust," he says. "There are real disincentives to reporting crime – and these need to be overcome."

Those disincentives include a straightforward lack of understanding in some cases, but also include companies' fear of reputation loss, fines, operational delays, increased insurance, legal action, investigation and increased paperwork.

The human factor

"In shipping, probably 70% or more of attacks are phishing or spear-phishing – people receive an email with an attachment, they open the attachment and it locks the system," says Mark. "But – you also need to know that about 70% of all attacks on a ship in the cyber area are due to human error. In the end, these criminals are targeting people. That is why shipowners need to invest in training, penetration tests and audits of cybersecurity."

Ship systems can be and are being successfully hacked for six key reasons, he says: lack of intrusion detection, obsolete operating systems, lack of cybersecurity and safety policies, low-quality hardware used to construct networks, networks not being segregated, and a lack of access control to computers and networks.

It won't happen to me

And then there's the "it won't happen to me" syndrome. Of course, it certainly can happen – recent cyber attacks in the last week reported to the CSO Alliance have included a social engineering scam in a brokerage with \$500k misappropriated; a port suffering significant fraud; ship

"In shipping, probably 70% or more of attacks are phishing or spear-phishing – people receive an email with an attachment, they open the attachment and it locks the system."



owners regularly targeted and paying fake invoices and an attempted bunker fraud in the Superyacht sector. The recent attack which cost Maersk \$300m left no one in any doubt of the risks

The need for centralisation

"These cyber criminals are innovating every day and are well resourced," says Mark. "You see myriad reports but no central repository for cyber information in shipping. We are working to bring together the technology and the information. We are beginning to see a fight back – the industry doesn't want to sit there and keep getting hit. And we are seeing wonderful support from the classification societies, the P&I Clubs and the military. We are seeing more and more CSOs and cyber responsible shipowners and employees who want to share information with others, in real time, to alert others."

Cyber crime portal

The CSO Alliance is developing a new cyber crime portal with the support of Airbus Defence and Space. The pilot portal is highly interactive, it will enable registered user to upload data and can be configured to upload pictures and video and to exchange vital information. All crime

reports will be anonymous – and that's important, says Mark, in encouraging more reports from more sources, without reprisal or reputational loss. "Active participation in reporting incidents will be seen as a clear part of fulfilling a duty of care."

Bringing together multiple data flows will help to establish the full criminal footprint and, with analysis, better predict intentions, he adds. "Early notification of incidents and the malware involved, where applicable, means we can issue alerts, advise and reduce the impact. The portal will provide updated information to all members about emerging best practice, and showcase what services and support are available.

"By slowing down the propagation of a virus, by eliminating phishing attacks and by training people, we can ruin the business case for many criminals."

A community approach

This forum isn't just for shipowners, he emphasises – it's for ports, agents, hauliers and manufacturers, too. "It is a community approach to fighting crime. The technology is at our fingertips, the price is coming down, and the community approach is the way forward." 🇬🇧



Social engineering fraud

With 70% of all attacks taking advantage of human error, **Anders Leissner**, Director, Corporate Legal & FD&D explores exactly what tricks criminals are using.

The Swedish Club has seen an increase in social engineering fraud cases, also known as 'human hacking', against members. This term refers to the tricks used by criminals to deceive and manipulate victims into giving out confidential information and funds. These tricks are used to exploit a person's trust in order to find out banking details, passwords and other confidential data. They are carried out online – for example, by email or through social networking sites – by telephone, or even in person. Generally, losses suffered as a result of social engineering fraud are not covered by any of the Club's insurances, and since the prospects of recovering lost money are usually slim, support under FD&D insurance in respect of any subsequent disputes, may not be available. However, by taking some simple steps the risk of being deceived can be reduced significantly.

Fake emails

One common - and simple - type of social engineering fraud follows the hacking of a vendor or supplier's email system, leading to the purchaser receiving an email requesting that invoices are paid to a new bank account. The Club has seen examples where companies have paid significant amounts to fraudsters in this manner - only becoming aware of the situation when the vendor wonders why invoices have not been paid. By that stage, it is invariably too late as funds have been dissipated by the fraudsters, and the purchaser is left substantially out of pocket.

Moreover, there is a risk that the vendor has a legitimate claim despite the fact that it was their email system that had been hacked, and the purchaser may have to pay a second time with little prospect of being able to recover the monies paid to the fraudster.

If members receive a request from a supplier or vendor to make payment into a different bank account, members are

strongly recommended to always confirm through trustworthy sources that the request is legitimate.

Alert the organisation

Members are encouraged to implement a plan for minimising the risks of social engineering fraud. The plan should include a component for raising awareness amongst employees, especially those who handle payments in the organisation or may be new to the company.

Members are encouraged to implement a plan for minimising the risks of social engineering fraud.

Members may also wish to review their corporate insurances to ensure social engineering fraud is covered and, if not, consider whether it should be. Members are also encouraged to review tips by Interpol how to improve online safety at www.interpol.int/Crime-areas/Cybercrime/Online-safety 🇳🇵

Legal update

Adaptability vs continuity



By Anders Leissner,
Director, Corporate Legal & FD&D

One of the great challenges in life is to know when exactly to stand your ground. The same goes for the law. On the one hand, the law must be firm and predictable, and withstand pressure. On the other hand, it must also be flexible and adapt to changes in society in order to fulfil its function.



stance and concluded that the original principles should prevail, despite the great turmoil caused by OW's bankruptcy.

If you cannot change the world, change yourself

The industry, through BIMCO, has subsequently explored the possibility of adapting the law to adjust the contractual provisions in BIMCO's standard bunker supply contract so that a purchaser cannot run a risk of having to pay twice for the same bunkers. That has proven difficult since such provisions would either be inconsistent with insolvency laws, or commercially unacceptable to the intermediary. The industry must therefore accept continuity in terms of the law, and accept the hard lesson that purchasing bunkers through an intermediary inherently comes with a high credit risk. On the other hand, the industry is at liberty to adapt its behaviour to mitigate this risk. 🇳🇴

The aftermath of the OW Bunker collapse is a telling example of this proposition. The cases against OW Bunker creditors, both owners and charterers, for unpaid bunkers, were essentially based on the notion that the established law pertaining to bunker sales involving an intermediary should not

apply, despite the fact that there could also be identical claims from the physical suppliers. The arguments why old legal principles were inapplicable were ample. The courts however, in particular the UK Supreme Court deciding the RES COGITANS [2016] UKSC 23, adopted the 'continuity'

Cyber threats

The rise of cyber crime has, in the same manner, prompted the question whether this is a threat that requires adaption of the Club's – and other marine insurers' - insurance conditions. As a matter of construction, the answer is probably no. To the extent the risk is not excluded (as

is the case for P&I) it should be possible to properly assess a claim on the basis of standard P&I rules pertaining to, among other things, the member's obligations to avoid and minimise consequences of a casualty. A loss caused by a cyber risk may therefore be covered, or not be covered, depending on the circumstances. As a matter of accommodating an

increased demand in the market, on the other hand, the answer is probably yes and the Club is exploring prospects to remove the cyber exclusion in various classes of insurance. This has proven somewhat complicated since the ultimate say rests with the reinsurance sector. For further reading about this hot topic, please see page 20. 🇳🇴

Caution is needed when agreeing provisions that amend the knock-for-knock position

There is one good reason why there are many more solicitors dealing with marine claims than in the offshore and energy sectors. In traditional shipping, the parties are frequently in dog-fights over damage to cargo, demurrage, unpaid or disputed hire, general average and, of course, the occasional unexpected bump, towage or salvage.

Conversely, offshore and energy related contracts contain liability and indemnity provisions (commonly known as 'knock-for-knock' clauses) which provide broadly that the losses lie where they fall, irrespective of fault, along with provisions that protect against lawsuits from, or against, related parties (often referred to as 'owners' or 'charterers' group'). With operators often working in the same oilfield controlled by a government or oil major utilising high value assets, this not only brought down the cost of insurance, in particular liability insurance, but also reduced substantially the scope for litigation. The English courts have upheld these contractual protections as expedient.

These provisions were gradually adopted by BIMCO and are found variously in HEAVYCON, SUPPLYTIME, TOWCON and TOWHIRE.

Recently, however, there has been an alarming trend for the buyer or end-user to take advantage of the prolonged soft market, and amend the knock-for-knock regime to throw risk onto the shipowner.



By Simon Tatham, Partner, Tatham Macinnes LLP

Simon Tatham is one of the UK's leading Admiralty solicitors, and is Senior Partner of Tatham Macinnes. For 35 years he has worked in the City of London, as well as in Hong Kong, advising on issues ranging from routine contractual questions to the coordination of major shipping casualties.

Serious issues

Some of the provisions now seen in the offshore support vessel and heavylift sectors create potentially very serious issues that are frequently not well-considered. For example, you might find a standard SUPPLYTIME 2005 with an un-amended clause 14 supplemented by an additional clause, providing that despite the knock-for-knock provisions, the owners shall be liable for a sizeable first tranche of any loss suffered by the property or personnel of charterers' group for each and every incident. If that figure is, say, USD 250,000, it may well be intended to reflect charterers' group's own insurance deductible. So, charterers will now bring claims for breach of contract or negligence in circumstances where the duty of care is not well defined, simply because it has, until now, not been necessary to do so because of the existence of knock-for-knock provisions. Contrast this with the generally balanced provisions under the Hague Visby Rules for the carriage of cargo, or not dissimilar seaworthiness provisions found in charterparties.

“There has been an alarming trend for the buyer or end-user to take advantage of the prolonged soft market, and amend the knock-for-knock regime to throw risk onto the shipowner.”



Ordinary vs gross negligence

Another example is the imposition of terms that override the knock-for-knock provisions in the event of gross negligence. The concept of gross negligence is a concept expressly recognised in Scandinavia. A Norwegian lawyer explained how it differed from ordinary negligence as follows: "The difference is that when you encounter ordinary negligence, you nod your head as you recognise a fellow human being's mistake; however, when confronted with gross negligence, you simply shake your head in disbelief".

However, English law has been reticent to endorse a distinction between ordinary and gross negligence, so the existence of such a provision in a contract subject to London arbitration or litigation in the High Court, will create a challenge for the parties' advisors and the competent tribunal.

Misconduct

Under the standard provisions, a party is to be protected from claims arising from its acts, neglect or default. In the same way that a provision might be



made for gross negligence, there is a temptation for parties to seek expressly to deprive the party of protection in the event of its wilful or criminal misconduct. Some may find this logical, but it overlooks the fact that as a matter of English law, such conduct would deprive the party of protection in any event. Further, an express clause depriving the owner of protection for criminal misconduct could be rather dangerous when one reflects upon the alacrity with which coastal authorities will nowadays prosecute seafarers involved in what most of us would regard as ordinary marine accidents.

Litigation time bomb

Another example of an amended standard form involved the deletion of not just part of but the entire pollution liability clause from HEAVYCON, the provisions of which are intended to ensure that each party is responsible for and insures against the risk of pollution from its vessels only (this supported by the usual cross-indemnity undertakings). The standard clauses reflect the position under the oil and bunker spill conventions, where liability is channelled towards the registered owner and away from third parties. It makes very little sense to oblige the parties to insure not only their own liabilities in this respect, but also that of each other, whilst prejudicing their P&I cover in the process.

As one offshore operator remarked, such provisions, tinkering with the standard form wordings, are a litigation time-bomb waiting to go off.

Finally, it should not be overlooked that P&I clubs may exclude cover where members have entered into contracts containing 'unusually burdensome terms' without the club's prior approval. 🚫



"Such provisions, tinkering with the standard form wordings, are a litigation time-bomb waiting to go off."



Clarifications on calculation of package limitation for containerised cargoes and application of the Hague Visby Rules where waybills have been issued.

The High Court, Queen's Bench Division, earlier this year handed down a judgment containing welcome clarifications on how package limitation under the Hague-Visby Rules (HVR) and the Hague Rules (HR) is to be calculated.

The judgment, *Kyokuyo Co Ltd v A.P Moller – Maersk A/S* [2017] EWHC 654 (Comm), the *Maersk Tangier*, has been appealed and is certainly a judgment clubs and carriers are advised to look out for once handed down by the Court of Appeal.

The dispute

This concerned three refrigerated containers containing tuna loins, stuffed into the containers as individual items without packaging, and bags of frozen tuna parts stuffed into the containers. Part of the cargo was damaged on a voyage from Spain to Japan. The parties, having originally agreed to issue Bills of Lading for a larger consignment of in total twelve containers, agreed that waybills

would be issued for these three containers to prevent further delays at the discharge ports after some problems had already been experienced.

Applicability of HVR

To begin with, the Court decided that the determining factor as to whether the HVR, by force of law as per COGSA 1971, applied to the case was that the issuance of Bills of Lading was contemplated under the terms of the contract rather than the fact that waybills eventually were issued.

Package or unit?

The Court, having decided the question of applicability of the HVR, provided guidance on what constitutes a 'unit' under the HVR Article IV rule 5. The Court relied on, among others, the *River Gurara* [1998] 1 Lloyd's Rep. 225 to reiterate that containers do not constitute a 'package'



By Malin Högberg,
Senior Claims Executive, P&I and FD&D,
Team Gothenburg

under the HVR before deciding that the individual tuna loins, which were not packed, were individual 'units' while each bag of tuna was a separate 'package' for the purposes of limitation of liability. Focus was to be on the cargo as in fact transported and not on whether or not the items in the package could have been shipped as individual units. The Court further clarified that there was no difference in the meaning of 'unit or package' between the two sets of Rules.

Limitation of liability

For the purposes of calculating limitation of liability the HVR states at Article IV rule 5 (c) that 'the number of packages or units enumerated in the bill of lading as packed... shall be deemed the number of packages or units for the purposes of this paragraph...' The Court held that the relevant article required the number of packages or units inside each container to be accurately enumerated in the bill of lading and did not require an enumeration 'as packed'.

Separate limit

Finally, the Court concluded that the meaning of the 'package or unit' limit under Article IV rule 5 is that there is a separate limit for each package or unit. Thus, any excess of the limitation amount for one damaged item cannot be carried over to the next. While the judgment is under appeal, this is welcome news to any carrier faced with claims concerning multiple items which qualify for limitation of liability. 🇸🇪



Meet Our Crew

The Swedish Club has been run by shipowners for shipowners since 1872. With 145 years of marine insurance experience, we understand the issues our members face and meet their needs by offering top levels of specialist knowledge and expertise.

Brian Png
Deputy Managing Director,
The Swedish Club, Hong Kong
(from 1 January 2018)

Supporting members of The Swedish Club since 2009

11 years of seagoing experience, achieving the role of Chief Engineer

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Meet our crew Gothenburg

A truly multinational team



Johan Kahlmeter

Area Manager Team Gothenburg

Listen, advise, cooperate, share knowledge – this is teamwork at its best, says Johan Kahlmeter, Area Manager for Team Gothenburg.

Johan, who was previously Head of Claims – Marine, took over as Area Manager in September. “We are a team of about 30 and made up of three pillars – underwriters, P&I claims and marine claims,” he says. “Each of these teams has its own specialities and expertise, and each has its own head of department. However, there is a crossover and very close cooperation between our claims handlers and underwriters in almost everything we do.

“For example, the risk assessment and underwriting process often requires input from claims handlers and technical staff. Claims and casualty handling is often



complex and also requires people with different skills and competences to work together. The Swedish Club is unusual in offering all classes of marine insurance solutions to both existing and potential new members," says Johan, "and we are proud that we are able to do so. We are a one-stop shop offering the full package, including all additional covers.

"We build our team with mixed competences and experiences and we typically recruit staff from backgrounds in shipping, nautical, business and legal," he says.

"Whether you work in underwriting or claims, we believe it is important to have people with different skills in order to truly understand the business, challenges and needs of our members."

"Our international flavour is a real strength in a global shipping world."

It is, he says, extremely important in the scenario of a major casualty to understand what needs to be done and what can be done to help the member involved. Equally, in risk assessment and the pricing of risks, it is vital to have a thorough and good understanding of the environment in which the Club works.

A strong team identity is a huge advantage – and Team Gothenburg has something else on top. "We have become really international. When I joined The Swedish Club ten years ago, Team Gothenburg was perhaps 95% Swedish. Not now! We take great pride in the fact that people from around the world apply to work with us and want to join our team in Gothenburg. It's an excellent sign that we can attract people. We offer a positive environment and good work-life balance. In the office it has always been open doors between offices; you can go and ask questions and ask for advice, and people are helpful. Our international flavour is a real strength in a global shipping world." 🇳🇴

Safeguarding our members' business

Tilmann Kauffeld Head of Claims – Marine

The Swedish Club is not just about 'insurance', says Tilmann Kauffeld.

"I see our task as safeguarding our members' business. In a way it is true to say that insurance makes the world go round by providing cover against the risk of loss. In shipping, insurance is a crucial tool allowing shipowners to carry out their business globally, knowing that their insurance policy will cover them for unforeseen losses that may arise during the vessel's operation. And if something should happen that interrupts our members' business, our task is to assist by securing their assets and interests and keep disruption to a minimum."

Marine claims are all about damage to the vessel and hence the impact on the members' business, he emphasises. "We are practical minded people with different backgrounds within the maritime industry, but we all have in common a 'hands on' problem solving attitude."

Tilmann joined The Swedish Club in 2014 after an apprenticeship with a ship owning company followed by seven years working in an adjusting firm.

Added to the team's practical approach, the concept of mutuality is very visible and tangible in the team's daily life handling marine claims, he says. "We are not saying 'this item is not insured' – we are approaching claims from a member's perspective."

As such, the team regularly performs the balancing act between member satisfaction and keeping the insurance conditions in mind.

Unpredictability is the order of the day – stressful times are balanced out by quieter times when the team can catch up with the housekeeping. But some things remain constant, says Tilmann:



"If the phone rings in the claims department, it probably isn't someone ringing up to say 'everything is fine'."

"We need to be quick in our response times, and quick in our decision-making processes. The claims team has to be always ready for urgent action. We are constantly watchful and are prepared for something out of the ordinary."

"If the phone rings in the claims department, it probably isn't someone calling to say 'everything is fine'. It usually means something needs to be done, probably fast."

The Marine claims team works closely with other members of Team Gothenburg, including in the delivery of loss prevention and emergency response training for members. "For example, usually one of the Marine team will take part in our Emergency Response Training exercises, says Tilmann, "because ordinary claims work is sometimes extraordinary." 🇳🇴

Marcus Lindfors
Head of Claims – P&I

A team approach

One thing holds true for every one of Team Gothenburg's P&I specialists – when they come into the office in the morning, they can never be sure what the day will bring.

“A routine day with scheduled work or a major casualty – we are ready for anything,” says Marcus Lindfors. “I may get that sudden call which will swallow up my time for weeks and means cancelling all my plans. And after travelling frequently for several years, it doesn't take me long to pack!”

However, he emphasises; while a grounding or collision means ‘hands-on immediately’, the first thing isn't necessarily to run to the airport.

“When a case comes in, we must not risk losing time; information is the most important thing. We need to assess what is going on, pinpoint the issues, decide where we will put our assets, work out who and what we need. We must communicate with lawyers, correspondents and surveyors. Then, in the case of a significant grounding or collision with perhaps five or six different risks, we put together a small team to cover it.”

This is, of course, a 24/7 world and all of the P&I team are well equipped to handle the initial stages of any claim. An important feature of the P&I claims system is that there is always one

person designated in charge of particular claim file, offering consistency and one point of contact for the member.

However, that person has the support of others in the team, depending on the scale and nature of the claim.

And, as the complexities inevitably emerge, Team Gothenburg's breadth of knowledge and expertise really comes into its own.

“We are all from very different backgrounds – including legal and economics, as well as seafaring,” says Marcus. “Claims are becoming more complex with more legal technicalities than there were years ago. People with a seafaring background are invaluable. We have people from outside Sweden on the team too, which gives us an extra dimension, especially if we have an issue in the country they come from.

“Some of our team specialise in ‘people’ claims, some in environmental claims, some in complex charterers’ contracts. In essence, we benefit from the whole spectrum of knowledge in the team.

“I think we have a great balance here in Gothenburg – if you don't know something yourself, there is always a colleague who can help you with a query.” 🇸🇪



The science of underwriting

Erik Johansson

Head of Underwriting

Is underwriting all about instinct?

Certainly having a 'feel' for the market is vital, says Erik Johansson – but in fact, the underwriter's job is a good deal more scientific.

"We have to analyse the risks properly in order to put a price on the proposed policies," he says. "This process is something that involves a lot of different areas of competence. We need technical knowledge in order to understand the risks specific to each individual vessel. We also need some legal knowledge in order to understand the insurance contracts and the various risks related to any specific trade. Apart from this, a deep statistical know-how is important in order to be able to calculate likelihoods and draw conclusions from historical data. Underwriting is therefore quite broad and we use the entire organisations knowledge in our processes. It really is a team effort.

"We get to know the shipowners before we propose to insure them – we need to understand the type of operation a member is running. After all, the people running technical and commercial management of a ship is perhaps the most important factor influencing the risk.

We then combine technical information, statistics and our market knowledge in order to calculate the "right price" and present a quote." If the quote is accepted,



"We get to know the client before we insure them."

the admin work then begins: "We must provide all the documents the owner needs to prove that they are insured, for the banks, shareholders, ports of call, and so on. And during the year of the policy, there is a lot going on – which requires our involvement as an insurer."

Erik's team includes underwriters, assistant underwriters, back office

assistance and credit control. Those in the team include a master mariner and others from legal, insurance and statistical backgrounds.

The most hectic period for Erik's team is December, January and February, with many insurance contracts renewed on 1 January, and the P&I renewals on 20 February. "But there is always something to keep us busy with hull renewals just about every month. Apart from renewing existing business, we have to keep focus on our marketing activities. We do a lot of marketing and networking in order to meet new potential members in order to continue our steady growth. 🚢"

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email:lorraine.hager@swedishclub.com



Member's perspective

Mikael Livijn

Head of Insurance & Legal, Wallenius Marine AB

Mikael Livijn appreciates how important it is for a shipowner to have a good relationship with their marine insurer: "It is important for conducting smooth business," he said. "We are the link between the vessels and the insurer and often the vessels encounter problems that need urgent attention. This is where the insurers are important. We need to be able to rely on the insurer giving fast assistance and accurate information."

Mr Livijn has dealt with The Swedish Club in Gothenburg for more than 20 years and has become personal friends with many of the people there. "I strongly believe in the

quote 'It is better to make friends through business than making business with friends' and the relationship with The Swedish Club has been the proof of that being true."

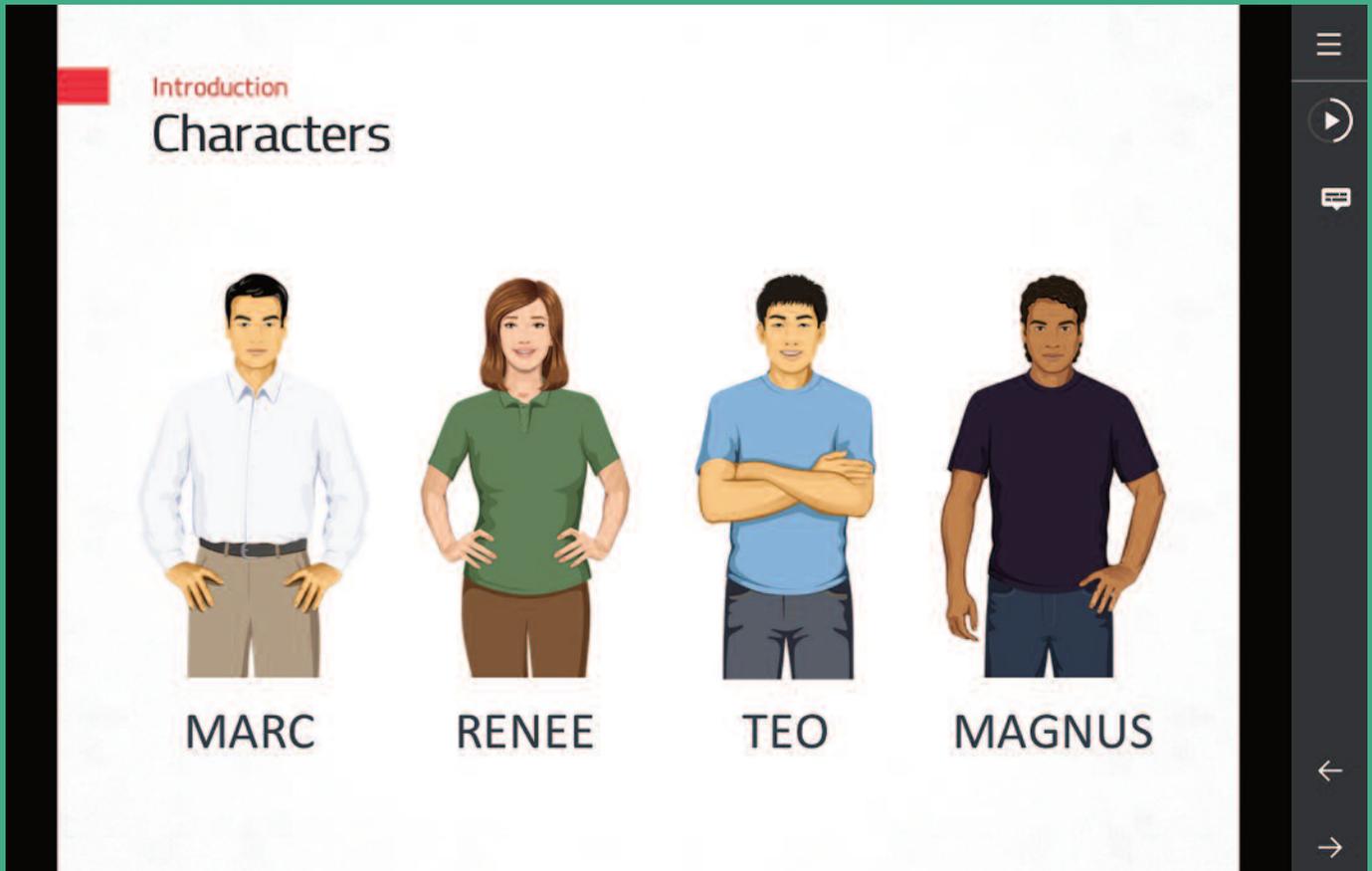
He particularly likes the friendly family atmosphere, which is still "highly professional with a prestigeless culture."

"You know the people you are dealing with and can get hold of the right person immediately," he said, "No fuss, no waiting on the telephone line."

A rousing testimonial indeed. 🇸🇪

"It is better to make friends through business than making business with friends and the relationship with The Swedish Club has been the proof of that being true."

Meet our new virtual crew members



We are pleased to announce that the planned revision of the MRM Computer Based Training (CBT) modules is well under way.

We have recently released a new MRM Introduction Module, which aims to expand our reach not only to our sea-going staff, but also encourages shore-side personnel to be more involved in the programme. This will help improve teamwork and communication between teams, increasing safety on board vessels.

We would like to introduce you to Marc, Renee, Teo and Magnus, our virtual crew members working to offer you the ultimate e-learning experience. This team of four plays an essential role in helping you understand and apply the important MRM concepts.

We would like to introduce you to Marc, Renee, Teo and Magnus, our virtual crew members working to offer you the ultimate e-learning experience.

These crew members will introduce you to the essential dynamics of our training modules such as Situation Awareness, Decision Making, Teamwork, Cultural Awareness, and Management Styles. With their different characters, Marc, Renee, Teo and Magnus, can make it easier for MRM users to relate to their different roles within their respective teams.



By Lorraine M. Hager,
Strategic Development Executive,
The Swedish Club Academy AB

Are you interested in improving teamwork and communication in your teams? Sign-up for an MRM licence by contacting The Academy: academy@swedishclub.com.



Full House at Greece Insurance Seminar

More than 40 participants attended the sixth Marine Insurance Seminar in Greece, setting a record for the number of attendees.

The event was held between 13-15 November at the Metropolitan Hotel in Athens. The Club welcomed participants from not only Greece but also as far afield

as Iran and Israel, representing both shipowners and shipping companies, as well as brokers. Delegates gained an overview of all aspects of marine insurance, as well as the risk and assessment process handled by the underwriters of the Club.

Theory was put to the test in the seminar's various workshops, giving participants an

opportunity to learn more about the many aspects of insurance, freshen up their knowledge in the different areas, as well as enjoying the opportunity to network with other people in the business.

A celebratory dinner ended the event, and the next Marine Insurance Seminar in Greece will be held in November 2018. 🇬🇷



Ziva Lainer-Scholnik, Zim Integrated Shipping Services Ltd., Israel

Ziva is a lawyer and has been working for Zim for about 10 years, beginning in Cargo Claims and now holding the position of manager at the Contracts department.

"Working closely with brokers", she said, "I miss direct contact with The Swedish Club's staff and see the seminar as an ideal opportunity to meet the Club's team and to get to know the Claims Handlers and underwriters.

"As Israel does not have a big maritime industry, I was looking for a course that could refresh my knowledge of the rules, giving me a distance perspective on how the different parts of the business interact, as well as gaining an opportunity to network with other people in the industry.

"I also wanted to gain more knowledge of the General Average and Freight Demurrage & Defence aspects, and also better overview of the cover picture since Zim acts both as an owner as well as charterer.

Dimitrios Tsitsas, Ritelane Marine Inc.

Dimitrios started in the industry in London over 40 years ago, moving to Greece and becoming a shipbroker in the late 1970s. He is currently Managing Director of Ritelne Marine Inc.

"I was looking to gain more in-depth knowledge, especially in General Average and Underwriting, and to touch base with recent developments within the insurance side of the business," said Dimitrios. "FD&D matters are also important to me, as well as other complex legal aspects that need refreshing on a regular basis."

He also emphasised the importance of networking, the opportunity to meet The Swedish Club crew, and to maintain good relations as well as create new contacts with people in the business.

The International Marine Claims Conference, Dublin: 17-20 Sept 2017

By Frida Rhedin, Claims Executive, Team Gothenburg



Conference photo in front of the Grand Hotel

Beside the beach, 15 minutes northeast of Dublin, lies the beautiful village of Malahide, regular host of the International Marine Claims Conference. The conference started in 2004 with the aim of bringing together claims handlers, adjusters and similarly interested people for networking and knowledge sharing around the topic of marine insurance.

I was joined at the conference by Johan Kahlmeter, Area Manager, Team Gothenburg. Over 200 participants from all over the world attended the event, yet the atmosphere was very comfortable. People were encouraged to build relationships, and even though there was an intense program there was always room to enjoy good company in an off duty moment.

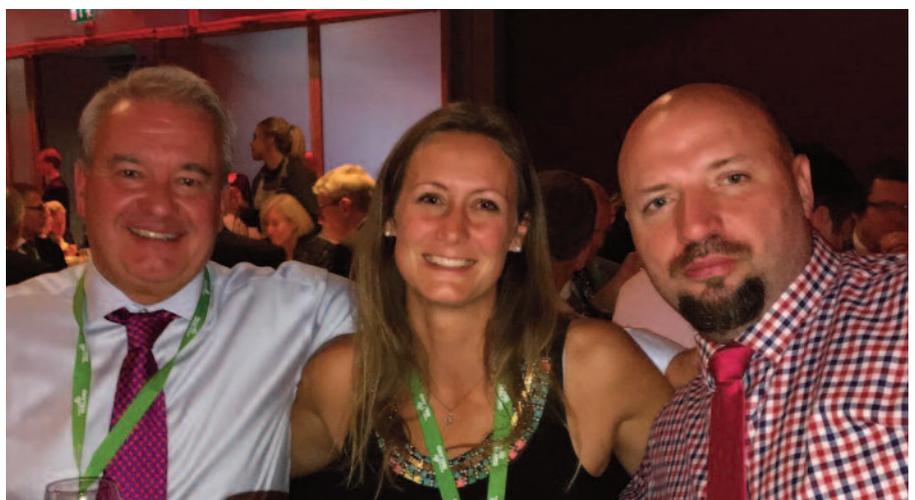
Over the two days of the conference plenty of topics were covered during 'speedy sessions' and workshops. Some particularly interesting areas were ballast water treatment, cat fines and fraud.

Henrik Uth from the Survey Association gave delegates pause for thought when he presented on new technology for acquiring surveyors, proposing a scheme not entirely unlike Uber or Airbnb. He certainly created a stir.

The second night of the conference was, as always, held at the Guinness Storehouse

where guests were treated to amazing 360° views over Dublin from the top floor.

All in all it was a well-attended, interesting and very pleasant conference in a beautiful location, and I left with my pockets full of business cards and a desire to return again next year. 🍷



Dinner at the Guinness Storehouse, from left: Simon Todd, Ince & Co, Frida Rhedin, The Swedish Club and Paul Calvert, International Underwriting Association

P&I Correspondents Conference



By Françoise Fouchier-Matte,
Claims Manager, P&I and
Correspondent Manager, Team
Gothenburg

September 2017 saw the fifth International Group Correspondents Conference taking place in London with over 560 delegates representing 95 countries.

The Correspondents Conference Programme was structured around the topics addressed in the International Group's P&I Qualification (P&IQ) modules, which have recently been made available to the worldwide network of listed P&I correspondents.

Delegates heard presentations from a panel of industry experts, including specialists from IMO, Brookes Bell, Navigate Response, OCIMF, ITOP, IACS, ITF, IOPC Fund, the Mission to Seafarers, International Salvage Union, and also speakers from the clubs.



SESSION 1

The shipping business

After the 2008 credit crisis, an 18% surplus of vessels and very low interest rates brought a whole new dynamic to the business. This caused changes in the structure of the market, for example increasing the non-OECD proportion of trade to nearly two-thirds.

Delegates were warned that in the coming decades, shipyards must rethink design and production methods to meet demands for carbon reduction, changing trade patterns and new digital technologies.

SESSION 2

P&I insurance, history, operation & practice

This session provided a brief insight into the International Group and its important role in covering 90% of the world ocean-going tonnage.

Seven modules make up the P&I Qualification Examinations recognised by all clubs and accredited by the Chartered Insurance Institute: Shipping Business; P&I Insurance, History, Operation and Practice; Underwriting, Loss Prevention and Claims Handling; People Risks; Cargo Risks; Collision, FFO & Pollution; and Towage, Salvage, General Average & Wreck Removal. More information and a useful guide has been published on the website: pandiq.mycoracle.com/

The focus then turned to the seven-module course of the P&I Qualification, and its value to correspondents, as the industry sees a generational shift and more and more newcomers willing to gain professional qualifications.

SESSION 3

Loss prevention & claims management

The updated Guidelines for Correspondents have been shortened, whilst retaining the key points of previous versions. In addition the importance of cyber security was highlighted; increasingly in the headlines since every organisation is a potential victim - vessels, shipowners, correspondents and insurers. All businesses depend upon IT to sustain their operations, and if systems are compromised, the consequences could be serious.

SESSION 4

People risks

Birgitta Hed, Senior Claims Manager at The Swedish Club and Chairman of the Personal Injury Subcommittee chaired this session.

The session explored the responsibilities of insurers in light of the 2006 Maritime Labour Convention (MLC), as amended. This requires ships subject to the MLC to display certificates issued by an insurer or other financial security provider that provide security for specific liabilities to crew members in the event of their abandonment; such as outstanding wages, repatriation of seafarers, or compensation for death or long-term disability.

The IG MLC reinsurance ensures that shipowners can meet the latest requirements of the MLC. In case of

abandonment, the P&I correspondent should be 'this critical link' between the insurers, the crew on board, seafarers' representatives such as ITF, and organisations such as the Mission to Seafarers.

P&I Clubs are also currently facing various issues such as the worrying increase of mental health disorders of seafarers, the criminalisation of maritime accidents and the implementation of the General Data Protection Regulation (intending to strengthen and unify data protection for individuals within the European Union) coming into force in May 2018.

SESSION 5

Cargo risks

Misdeclaration of cargo; claims for soya beans; liquefaction; and working sessions with Authorities for the recognition of the Club Letter of Undertaking were four of the items which dominated the agenda of the Claim's Co-operation Subcommittee.

Furthermore, the Cargo Incident Notification System (CINS) launched in 2011 appears to be an excellent tool to follow up cargo related incidents, highlighting the risks caused by certain

cargoes and creating a safer environment for seafarers.

A specific warning has been addressed in respect of Letters of Indemnity (LOI) which may appear to be a quick and easy solution when something unexpected occurs. This security is only as good as the provider issuing it and can be struck down by the Courts in case of litigation.

SESSION 6

Collision, FFO and pollution risks

A highlight of this session was the development of BIMCO's RESPONSECON, a standard spill response agreement for use by the shipping industry.



A little down time for delegates



Birgitta Hed, Senior Claims Manager at The Swedish Club

SESSION 7

Towage, salvage and wreck removal

Whilst the Lloyds Open Form (LOF) remains the most commonly used contract for urgent response, a decline in its use has been observed as well as a decrease in the revenue from wreck removal due to fewer casualties and too many salvors chasing too few contracts.

The session was also reminded of the importance of media management and the control of social media, as 'the average member of the public only sees the darker side of the shipping industry and only remembers the ships that had serious issues'.



From left to right : Bjørn Flåm, Skuld, Charles Gornell, the American Club, Neil Gibbons, Steamship, Françoise Fouchier-Matte, The Swedish Club, Guy Harris, Britannia, Mudit Singh, Shipowners, Catherine Grey, IG Secretariat and in charge of the organisation of the Conference, Nick Tonge, The North of England, Keisuke Yagisawa, Japan Club, James Cross, The Standard Club, Masatoshi Fukushima, Japan Club, Garry Stevens, London P&I Club and Chairman of the Correspondent Subcommittee, Geir Sandnes, Gard, Charles Elmer, The U.K. Club

Officers' Conference in Odessa



Nordic Hamburg held its annual Officers' Conference on 20 - 21 October at the Renaissance Conference Hall, near Nordic Hamburg's Odessa office. As the company has grown, so has the conference, and it was attended this year by more than 100 seafarers of all officer ranks, from Cadets to Captains and Chief Engineers.

Co-founder and company Managing Director, Rowil Ponta, opened the conference. He looked back over the past seven years where the company's fleet has grown from nine vessels in 2011 to today's 47 dry cargo and container



Rowil Ponta, Managing Director and co-founder

vessels – with an average age of less than five years. Over the same period the number of seagoing employees has increased from 145 to today's 1,300, a figure that is still climbing.

Sören Hössemann, Managing Director of Nordic Hamburg's Hong Kong office, described ongoing new building projects, where three Chinese shipyards are currently involved in the building and project management of three handysize dry cargo vessels, one ConRo vessel and four dual fuel 1,400 TEU container vessels.



Sören Hössemann, Managing Director of Nordic Hamburg, Hong Kong office



Magnus Gustafsson, Senior Claims Executive at The Swedish Club

Of particular interest is one of the 1,400 TEUs, which will be the first newbuild fully LNG powered container vessel with a two-stroke engine in Europe. It will be delivered in Q2 2018 and will serve in the Baltic Sea.

Magnus Gustafsson from The Swedish Club was invited to give a presentation on the practical aspects of claims handling, where he used a number of Nordic Hamburg's claims for practical case studies.

The North Sea Operators' Claims Conference



By **Martin Birgersson**,
Senior Claims Executive,
Team Gothenburg



The 41st session of the North Sea Operators' Claims Conference (NSOCC) took place on board the ROPAX ferry MS Crown Seaways between Copenhagen and Oslo on 9 to 11 October. The event was hosted by Club member DFDS Seaways, and attended by The Swedish Club, which has a long relationship with several of NSOCC's members.

Among the topics covered were customer relations, cargo claims in Germany, reefer cargo claims, passenger claims, autonomous vessels, Ballast Water Management and an update on the practical handling of the MS Norman Atlantic incident in the Adriatic Sea in 2014.

The NSOCC tackles a wide range of the industry's issues with a general focus on claims matters

During the stop in Oslo, a cultural event that was much appreciated was a visit to the Fram Museum, which tells the story of Norwegian polar exploration. Fitted into the otherwise tight program, the visit provided an excellent opportunity for networking with other delegates.

The primary aim today

The NSOCC has taken place annually since 1976, drawing together a membership of 34 shipowners, P&I Clubs, marine surveyors, shipping lawyers and other experts, all with a common interest in marine insurance claims with matters relating to the North Sea, Baltic and Irish Sea.

At this friendly, welcoming event, competition is set aside with the aim of sharing ideas and experience and learning from each other in order to improve delegates' ability to manage claims more effectively.

The NSOCC tackles a wide range of the industry's issues with a general focus on claims matters, for example:

- Standard trading conditions (North Sea Standard Conditions of Carriage)
- Cargo claims
- Passenger claims
- Ship design/building claims
- Navigation handling practice for hazardous goods (Blue Card and Yellow Card).

The NSOCC develops and promotes best practice relating to claims, and the event has a strong educational element with delegates and other qualified speakers invited to present papers.

Although principally an event for shipowners in the area, other attendees who provide specialist support for the sector, e.g. those with insurance or legal and surveying expertise, also participate.

All delegates are required to be active in the business sector and attendance is by invitation. If you feel that the NSOCC is relevant to you and you are interested in finding out more, please contact the NSOCC or you can find more information at www.nsocc.eu. 📞

IUMI 2017: Disruptive times - opportunity or threat for marine insurers?

This year's International Union of Marine Insurers (IUMI) conference was held in Tokyo, Japan, from 18 to 20 September, with 'business disruption' as a key theme for the event.



By Tore Forsmo,
Area Manager, Team Norway



Dieter Berg, IUMI President (Courtesy IUMI)

In his opening address, IUMI President Dieter Berg predicted a shake-up in the marine insurance sector from a raft of new technologies and business innovations destroying existing business models and extending to every corner of the business world. He noted that blockchain technology and the internet of things will drive disruption further and could ultimately have a positive effect, provided the industry embraces the changes.

Dieter Berg also went on to remind the audience that marine underwriting is a personal business driven by relationships and it is this strength that will help protect the sector in the future. Trust and reliability are the core currencies of marine insurance and these qualities cannot be replaced digitally – the industry needs to capitalise on that.

The 143rd IUMI annual conference this year attracted more than 540 participants from all over the world.

The 143rd IUMI annual conference this year attracted more than 540 participants from all over the world. This is the fifth time Tokyo hosted the annual event, reflecting both the current and historically strong position of Japan in both the maritime and the insurance and financial sectors.

Until 2014, The Swedish Club's Managing Director, Lars Rhodin, chaired the IUMI Ocean Hull Committee, and has for the past three years served as a Vice Chairman on the IUMI Executive

Committee. The Swedish Club values this relationship, believing that IUMI is an important meeting place for market updates and developments and for mutual learning.

Improving global economy

One of the main purposes of IUMI is to provide the industry with a trusted source of market statistics and trend analysis. In previous years, a struggling world economy has provided a negative backdrop for the marine insurance figures. This year it was noted that although the global economy seems to be improving, significant concerns or situations could lead to a stall that will directly affect marine insurance. Brexit and US trade policies remain elements of potential instability and continuing uncertainty is the only certainty for marine underwriters for the remainder of 2017 and beyond.

Risk of large claims

The global marine insurance premium volume is continuing its downward trend and fell nine percent from 2015, to USD 27.5 billion in 2016. This trend naturally spurred the debate around the growing challenge of reconciling dropping income levels paired with the risk of even larger single claims in an environment of increasing accumulation of values.



Astrid Seltmann, Cefor and Tore Forsmo
(Courtesy TradeWinds)



Helle Hammer, Cefor and Anne Systad, Codan (Courtesy IUMI)

A positive claims picture

In the marine hull segment, the claims picture is still a positive one with claims cost per vessel on a stable to downward trend and total losses on a similar trajectory. However, major losses are still volatile from one year to the other and can thus have substantial impact. The global hull premium is deteriorating to USD 7 billion in 2016, down ten percent from 2015. This is in line with the drop in insured values (or inactivity) while at the same time exposure increases through the continued inflow of high-value vessels and the recovery of many shipping segments in 2017 with continued fleet growth.

One of the main purposes of IUMI is to provide the industry with a trusted source of market statistics and trend analysis.

Future developments

The IUMI Facts and Figures Committee warned that current income levels do not cater for major losses. Cyber security is quickly moving up the risk register and underwriters need to understand its likely impact. The topic of

unmanned autonomous vessels is another area moving faster than previously anticipated and expected to have a significant impact on marine insurance in future years.

Offshore

Premium income in the offshore energy segment dropped 21% from 2015 to USD 3.6 billion in 2016. This comes on top of the 20% decline from 2014 to 2015. The depressed oil price continues to result in postponement and cancellation of future offshore projects. Operators have however to some extent been successful in bringing down field development and operations costs and a better balance on the rig and OSV side may lead to a more positive outlook in the mid to long term future.

A demanding market

Although the impact of recent hurricanes Harvey, Irma and Maria are unlike to deliver the same magnitude of loss that resulted from Katrina and Rita in 2005 or Ike in 2008, the impact on both property and casualty insurance as well as reinsurance has yet to be seen. With the price of oil however currently stabilising just below USD 60 per barrel the market will in the short term continue to be extremely demanding. 🌪️



From left: Mike Roderick, Clyde & Co., Nick Derrick, Traveler, Chairman of IUMI, Pete Townsend, AmTrust and Lars Rhodin, The Swedish Club. (Courtesy TradeWinds)

Notice board

Nordic Marine Insurance Plan

On 13 September 2017, the Nordic Plan Standing Revision Committee convened its first meeting to discuss the Nordic Marine Insurance Plan, Version 2019. The Committee, chaired by the Scandinavian Institute of Maritime Law, University of Oslo, was represented by members of the Nordic Association of Marine Insurers (CEFOR), including Johan Kahlmeter, Area Manager, Team Gothenburg, and also by members of the Nordic Shipowners' Associations in Denmark, Finland, Norway and Sweden. Each party is free to propose amendments to the Plan and its Commentary, and the negotiations will continue until June 2018, when any and all changes must have been agreed between the parties.

WISTA AGM and Conference

The Swedish Club was pleased to offer its support to the 37th WISTA AGM and Conference, which was held in Rotterdam on 3 - 6 October. With the theme, 'Future proof maritime solutions', the event aimed at giving delegates an insight into some of the exciting technologies that are emerging and how to maximise their benefits.

Chairman of election committee welcomed into Kings Point elite alumni

Maritime lawyer and chairman of The Swedish Club election committee, Brian Starer, has been inducted as an elite member of the Merchant Marine Academy alumni, more commonly known as Kings Point. He is one of the world's most experienced casualty lawyers, and now one of only 31 graduates invited to join this select few.



Limitation of liability in Hong Kong

Hong Kong will apply the IMO's latest amendments to the limits of liability under the 1996 protocol to the Convention on Limitation of Liability for Maritime Claims 1976 as from 4 December 2017. The amendments will increase the limits of liability significantly from those presently applied.

The following revised limits will apply:

In respect of loss of life or personal injury claims, for ships with a tonnage not exceeding 2,000 tons the new limit will be 3.02 million SDRs (up from 2 million SDRs) plus the following additional amounts for larger vessels:

- For each ton from 2,001 to 30,000 tons - 1,208 SDRs (up from 800 SDRs)
- For each ton from 30,001 to 70,000 tons - 906 SDRs (up from 600 SDRs)
- For each ton in excess of 70,000 tons - 604 SDRs (up from 400 SDRs)

In respect of any other claims, for ships with a tonnage not exceeding 2,000 tons the new limit will be 1.51 million SDRs (up from 1 million SDRs) plus the following additional amounts for larger vessels:

- For each ton from 2,001 to 30,000 tons - 604 SDRs (up from 400 SDRs)
- For each ton from 30,001 to 70,000 tons - 453 SDRs (up from 300 SDRs)
- For each ton in excess of 70,000 tons - 302 SDRs (up from 200 SDRs)

WISTA Hellas Annual Forum

This year's WISTA Hellas Annual Forum, 'Shipping New Horizons: Trends & Challenges' took place on Monday, 27th November at the Athenaeum InterContinental Hotel in Athens. It was extremely well attended, and The Swedish Club was happy to have contributed to this successful event, with many guests voting the Club's sponsorship table as one of the best in the house.

Out and about

Record attendance at this year's Donsö Shipping Meet



The one place to be on 5-6 September this year was Donsö, a beautiful island off the west coast of Sweden.

The Swedish Club was proud to be a gold sponsor for this year's Donsö Shipping Meet, which offers a unique opportunity for suppliers to meet with existing and potential customers in the shipping community.

This year's event achieved an all-time record for the number of visitors and exhibitors. More than 600 representatives from a wide range of shipping companies and 260 exhibiting suppliers came to Donsö for two enjoyable and productive days.

Around 1,700 guests attended a banquet in the evening, where the



From left: Michael Kristensson, Northern Offshore Services testing his skills with Daniel Kilgren, The Swedish Club

well-known Swedish singer Tommy Körberg entertained and the Norwegian investor and hotel tycoon Petter Stordalen was the guest speaker.

At the Club's exhibition, visitors could meet our crew, network and also try their skills at navigating small radio-controlled boats. 🚤

Go for gold! - NSB Cup 2017



Each year The Swedish Club's valued member, NSB Niederelbe Schifffahrtsgesellschaft, holds a sports festival for friends and business colleagues. With the motto 'faster, higher, further', track & field events are held during the day followed by a celebratory dinner in the evening.

This year's theme was the South of Germany, and guests enjoyed Bavarian delicacies, the sound of Alpine horns and of course a variety of German beers. 🍷



Going for Gold! Maria Berndtsson, The Swedish Club and Annkatrin Chaudhary, NSB



Oscar Holmqvist and Maria Berndtsson, the two contestants representing The Swedish Club.



London International Shipping Week Reception, 11 September

London International Shipping Week kicked off with a splash at The Swedish Club's London Reception, held at Fishmongers' Hall in the city on the first Monday of the week.

With a superb riverside view of the Thames, Southwark Cathedral, Shakespeare's Globe and beyond, this was the perfect setting to welcome the Club's London business partners.

Guests were surprised when the waiters and waitresses burst into song, with both traditional Swedish songs and more international offerings. It certainly was an evening to remember. 🎵



Excellent entertainment was on offer by Waiters Encore.



Angeliki Kallini, Richards Hogg Lindley and Maria Yiassa, The Swedish Club



Mauricio Garrido, T&T Salvage and Lars Rhodin, The Swedish Club



From left: Joseph Bekhor and Capt. A K Bahl, British Marine, Tore Forsmo, The Swedish Club and Nick Embiricos, Seascope Insurance Services

Photos: Jane Russell

Dubai Reception 17 October

In conjunction with the recent Board meeting held in Dubai, the Club hosted a reception at the Four Seasons Jumeirah Hotel.

Managing Director Lars Rhodin was pleased to welcome guests from the Gulf region and surrounding countries, expressing his delight at being able to take this opportunity to visit this important area. A warm thank you to all those who joined us.



From left: Khalid Hashim, Precious Shipping with wife Viji and Peter Claesson, Stena AB



Michael Vinnen, F.A, Vinnen & Co accompanied by Joy Edward Patrao, National Takaful.



From left: Ronald Lichtenecker and Meena Mathews, Gulf Agency, Jude Correa, Seaspan Shipmanagement and Lars Rhodin, The Swedish Club



From left: Alessandro Tricoli, Fichte & Co, Giovanni Galeppini, CR Shipping & Logistics and Capt. A Nozari, NITC



From left: Anders Källsson, Erik Thun AB, Lu Jian, Winning Shipping and Lim Sim Keat, Industrial Group

A well-balanced menu for both body and soul in Bergen and Oslo



Team Norway held its traditional Lunch Seminars in Bergen at the Radisson Blu Royal Hotel on 7 November, and in Oslo at Tjuvholmen Sjømagasin on 8 November. Around 50 guests representing insurance brokers, ship owners and the legal community were treated to a well-balanced menu for both body and soul.

The event was opened by Area Manager Tore Forsmo, who focused on the positive picture currently emerging in both shipping and marine insurance, followed by Team Norway's plans for the future.

The Club's Director for Strategic Business Development, Lars A. Malm, then gave a detailed presentation on the TS Taipei casualty last year, emphasising the critical factors that lead to the successful handling by The Swedish Club of a complex situation and potentially costly total loss.

The afternoon was rounded up by Managing Associates Øyvind Dehli and Kristoffer Hegdahl from the law firm Thommessen. Their topic, 'Financial Restructuring in the OSV / Offshore Energy Segments' was particularly relevant given the current situation of low oil prices, low offshore activity and an oversupply of both rigs and offshore service vessels. The presentation focused on relevant and well-established mechanisms in Norway, the US ('Chapter 7 and 11') and the



UK ('Schemes'), with a number of practical and recent examples. This was a fascinating and, at the same time, a highly complex world of legal and financial oddities and challenges.

All presentations were well received by a highly appreciative audience.

35 years in Hong Kong

Hong Kong Reception

The Swedish Club celebrated the 35th Anniversary of its office in Hong Kong with cocktail receptions held at the Hong Kong Club in Hong Kong, on 24 October, and Pudong Shangri-la in Shanghai on 26 October. Lars Rhodin was pleased to meet members of the shipping community both in Hong Kong and from surrounding areas. Since the office was established, the Club has seen steady and consistent growth in its business in the area and was delighted to use this opportunity to express how much it values this relationship.



From left: Peter Cremers, Anglo-Eastern Univan Group, David C. C. Koo, Valles Steamship Co. Ltd., Lars Rhodin, The Swedish Club, Ruizong Wang, The Swedish Club, Mr. B. L. Zhang, Associated Maritime Company (Hong Kong) Ltd.



From left: Ruizong Wang, The Swedish Club, Honda Wu, Kanway Line Co. Ltd., Geoffrey Cheng, Geoffrey Cheng & Co. Ltd.



From left: Jacky Yu, Bao-Island Enterprises Limited, Jaque Liu, Bao-Island Enterprises Limited, Ruizong Wang, The Swedish Club, Jon W. Zinke, Keesal, Young & Logan, Lars Rhodin, The Swedish Club

Shanghai Reception



From left: Ruizong Wang, The Swedish Club, Steven Jia, Augustus Maritime Co. Limited and Lars Rhodin, The Swedish Club



From left: Erin Pan, Shanghai Changhang Shipping Co. Ltd, Brian Png, The Swedish Club and Jeff Ma, Sinotrans Container Lines Co. Ltd.



Hu Yao and Xu Qiandi, Cosco Shipping Lines Co. Ltd.



Frank Tu, Cosco Shipping Lines Co. Ltd. and Liu Zhongping, Ex President of Cosco Europe



Li Chenbiao, Zhong Lun Law Firm



Cilla Rhodin and Lars Rhodin, The Swedish Club and Andrew Liu, Andrew Liu & Company Ltd.



Zhong Cheng, Wang Jing & Co

Staff news



Johan Kahlmeter

Johan has been appointed Area Manager of Team Gothenburg as of 1 October 2017.



Tilmann Kauffeld

Tilmann has been appointed Head of Claims – Marine for Team Gothenburg as of 1 October 2017.



Brian Png

Brian Png has been promoted to Deputy Managing Director for The Swedish Club in Hong Kong, as of 1 January 2018. Brian is well known to the Asian shipping community and joined The Swedish Club in 2009.



Victor Johansson

Victor took up the position as Claims Executive of Team Asia as of 5 December 2017.

In Memoriam

Captain John P. Samartzis



It is our sad duty to inform you that Captain John P. Samartzis, founder and president of J.P. Samartzis Enterprises Co. S.A, passed away on 14 September 2017.

Captain John became a member of The Swedish Club in 1976 when he acquired ships from Transatlantic in Gothenburg. He subsequently served as a most valued board member from 1982 until 2014. Known for his warm heart and business skills, he was a self-made man who learned from the trade and inspired many to follow.

His knowledge of shipping and insurance, and their inherent cyclicity, was second to none. In particular, he subscribed to the core values of The Swedish Club – values he was unselfishly keen to support.

While we will all miss Captain John's caring personality and friendship, his deeds will be treasured and remembered.

Winter 2017/18

Club Quiz

1. What does afra stand for in an aframax oil tanker?

- 1. American Freight Rate Assumption
- X. Average Freight Rate Assessment
- 2. Average Freight Rate Agreement

2. When did the official opening of the Suez Canal take place?

- 1. 1899
- X. 1869
- 2. 1914

3. What does the recently coined acronym HIM stand for?

- 1. Hull Interest Market
- X. High Insurance Metrics
- 2. Harvey, Irma and Maria

Mail your answer to quiz@swedishclub.com

The first correct answer pulled out of the hat will win a prize.

Winner of Club Quiz 2 – 2017



Congratulations to winner of Club Quiz No 2-2017, Woo Choi Wai of Thome Ship Management Pte Ltd, Singapore, who has been awarded a Club giveaway.

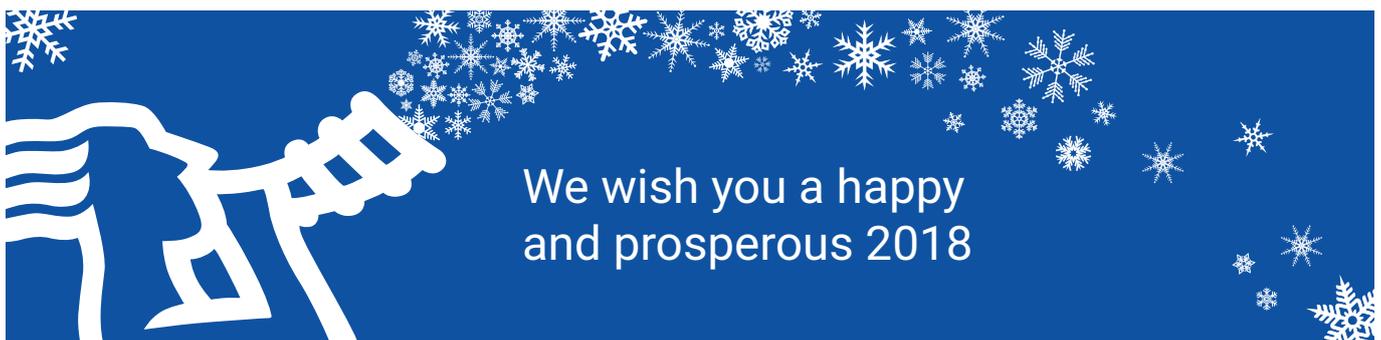
The right answers to Club Quiz No 2-2017 are:

- X **A latch for fastening down a hatch**
(What is a dog on-board?)
- X **Maritime Labour convention**
(What does MLC stand for?)
- 2 **William Fleetwood**
(What is the name of The Swedish Club's first Managing Director, Chairman and Founder?)

Club Calendar 2018



22 March	Board Meeting Shanghai
14-18 May	Marine Insurance Course Gothenburg
13 June	Board Meeting Gothenburg
13-15 June	AGM events Gothenburg
15 June	Annual General Meeting Gothenburg
4 October	Board Meeting New York
6 December	Board Meeting London





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.

Follow us



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