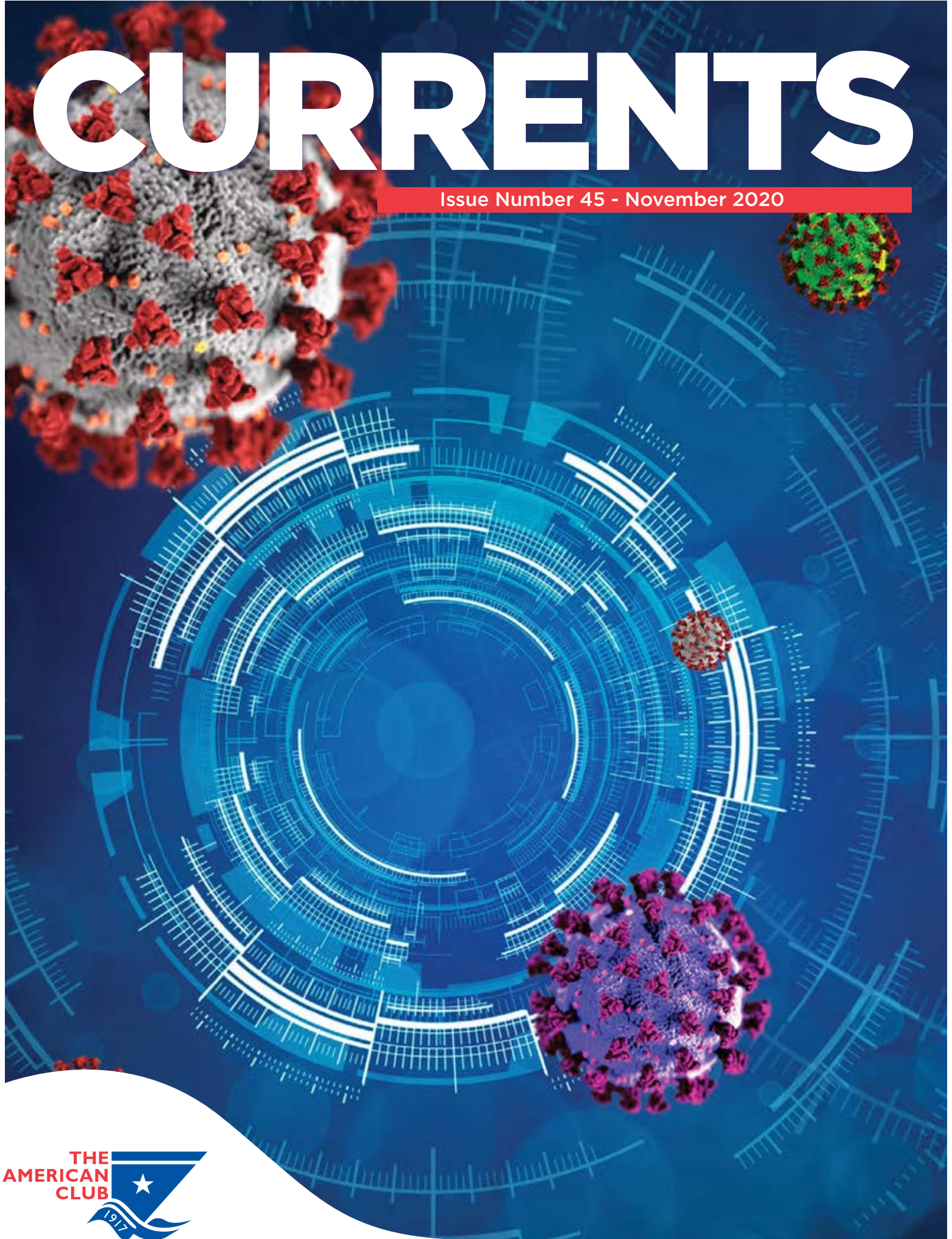


# CURRENTS

Issue Number 45 - November 2020



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## The statue of “The Unknown Sailor”

**stands in honor of all seafarers and is located in the center (Chora) of the island Andros in Greece. The Unknown Sailor was placed on his marble pedestal on November 5, 1959.**

The creation of the sculptor Michael Tompros with copper as base material was a donation of a well-known shipping family of Andros: the Goulandris family.

The memorial is especially important today as COVID-19 crew change restrictions have created arguably, one of the worst seafarer/ crew crises of the century. Presently, the statue stands as a tribute to all those who dedicate their lives to this very noble profession and the sea. The unknown sailor is always looking at the open sea of the Mediterranean, and salutes every day all seafarers, reminding us the importance of their sacrifices.



My introduction to the last edition of *Currents* was composed under circumstances very similar to those in which I now write these words. The exigencies of the pandemic continue, but the manner of handling the challenges created by COVID-19 has developed with ingenuity and resourcefulness over the period since last March when the lockdowns and other restrictions placed upon ‘normality’ were originally enforced across large parts of the world.

BY: JOSEPH E.M. HUGHES

I am pleased to say that, thanks to the energy and dedication of our management teams across the globe, and assisted by the wizardry of modern IT, the American Club and Eagle Ocean Marine have been able to maintain an undiminished level of customer service throughout these difficult times. Although office accessibility has varied from place to place – and from time to time in response to varying levels of infection in different locations – the ‘hybridization’ of working styles, with the emphasis at present on remote participation in management activity, has worked well, and promises to be a template for the future. In this, the Managers of the Club and EOM are not unique: it is likely that, for knowledge-based businesses in particular, the pattern of engagement as between office and home will undergo significant change over the years ahead.

While the above trends affecting the world of work have characterized recent months from a management perspective, both the American Club and EOM have operated very creditably as to their core business performance throughout this period of disruption to the global economy. As of the end of October, the Club’s tonnage entered for P&I cover had increased – albeit modestly – over that recorded at the beginning of the policy year. As of the same date, tonnage insured for FD&D risks

was also up. However, on a combined basis, annualized premium was down by about 4% overall, in part due to more ships being placed in lay-up over recent months at lower rates of premium.

At Eagle Ocean Marine, the Club's fixed premium facility, the last six months have been particularly active. EOM's reinsurances were successfully renewed as of July 1, 2020 for another year. This renewal was completed on a rather different basis from that which had previously applied, switching from a quota-share to an excess-of-loss structure, intended to maximize the facility's contribution to the Club's global results. That contribution has been thoroughly robust over recent years: last year's premium hit a record figure, while the new facility period has seen a 16% growth in year-to-date revenue over the first four months alone. Most importantly, EOM's profitability remains impressive, the facility having enjoyed a 75% aggregate combined ratio since inception.

On the claims front, the Club's 2020 policy year has developed favorably during its first eight months, losses for the Club's own account being significantly less than those of the previous year at the same stage of development. However, the International Group's Pool has not performed well in 2020, with claims to date being significantly larger than any recent year at the same point of emergence. Happily, the American Club – as has been the case since 2017 – has itself recorded no claims on the Pool during the current policy period.

All in all, and despite a rather anemic investment return for 2020 so far, there are signs that, having not been greatly affected either in claims or revenue terms by COVID-19, both the American Club and EOM can look to the months ahead with cautious optimism, given the recently positive developments referred to above.

The P&I community – at least for its mutual denizens – is now moving toward the 2021 renewal season. In this context, market interest begins to focus on different clubs' premium policy for the forthcoming year as boards of directors meet over the fall and early winter to consider revenue needs for 2021. At the time of writing, the American Club's board is on the point of meeting to consider this – and many other issues – at this vitally important stage of the P&I year. Further news in this



regard will be passed on soon to the Club's membership in the usual way.

In addition to the financial dimensions of the forthcoming renewal, other themes will develop, and form the subject of commentary, over the months ahead. An emerging trend among the clubs – and within the insurance industry in general – is the increasing focus on sustainability as a vitally important component of business operations. I am pleased to say that the American Club, EOM and the Club's hull underwriting subsidiary, American Hellenic Hull, are adopting sustainability – under its ESG rubric – as a guiding principle in all their endeavors, very much at the forefront of their policy making for the future.

Against the background described above, and as we all continue to navigate these difficult and challenging times, Members and Insureds of the Club and EOM respectively can remain certain of their Managers' continuing dedication to the cause of unsurpassed service and financial security in what will surely be seen in retrospect as a period of great transition for both the shipping and insurance industries.

*Joe Hughes*



**Joseph E.M. Hughes**  
Chairman & CEO  
Shipowners Claims Bureau, Inc.  
New York, NY, USA

# Crew Changes in the Era of COVID-19

BY: JOANNA KOUKOULI

The COVID-19 pandemic has given rise to unprecedented challenges for shipowners due to quarantine measures, travel restrictions and border closures, preventing crew members from travelling to and from vessels. International organizations have made efforts for seafarers' special status as key workers to be recognized, so as to allow necessary crew changes and repatriations globally to be carried out without inordinate delays.

Organizations such as the International Labor Organization (ILO) have issued Notes and Guidelines for shipowner employers, who have – from our experience – managed to adjust their operations to the challenging circumstances with the assistance of their respective flag administrations and governments, which had to adopt a pragmatic approach due to imperative reasons of public health vis-à-vis the extension of employment contracts, the adjustment of Minimum Safe Manning and the extension of medical certification. Shipowners and managers literally try to “go the extra mile” to carry out necessary crew changes wherever possible, however this must be done within the parameters of the governing contracts of carriage, otherwise there is a risk for the deviation to be deemed unreasonable and deprive the owner of the right to rely on defenses and limitations of liability which

would have otherwise been available, and, in turn, possibly prejudice P&I cover.

Although global travel restrictions have gradually relaxed and the list of States allowing crew changes at designated ports under specific protocols was slowly growing, in many countries restrictions remain in place and continue to hinder changes, while the second wave of COVID-19 threatens to set back the progress that has been made. In response to the crisis, BIMCO recently produced a new clause designed to give owners the liberty to deviate to an alternative place for the purpose of effecting crew changes under tightly defined circumstances, if crew changes cannot be effected at the places to which the ship is ordered by charterers. The clause also provides an option for charterers to contribute to the crew change

in recognition of the potentially high cost of making COVID-19 related arrangements of this kind:

### **BIMCO COVID-19 Crew Change Clause for Time Charter Parties 2020**

**(a)** In addition to any other right to deviate under this contract, the Vessel shall have liberty to deviate for crew changes if COVID-19-related restrictions prevent crew changes from being conducted at the ports or places to which the Vessel has been ordered or within the scheduled period of call. Any deviation under this clause shall not be deemed to be an infringement or breach of this contract, and Owners shall not be liable for any loss or damage resulting therefrom.

**(b)** Owners shall exercise the right under subclause (a) above with due regard to Charterers' interests and shall notify Charterers in writing as soon as reasonably possible of any intended deviation for crew changes purposes.

**(c)** Charterers shall procure that subclause (a) shall be incorporated into any and all sub-charter parties, bills of lading, waybills or other documents evidencing contracts of carriage issued pursuant to this Charter Party.

**(d)** During the period of such deviation the Vessel shall:

**(i)\*** remain on hire, but at a reduced rate of hire of USD ..... per day. In the absence of an agreed amount, fifty per cent (50%) of the hire rate shall apply. The cost of bunkers consumed shall be shared equally between Owners and Charterers.

**(ii)\*** be off-hire and the cost of bunkers consumed shall be for Owners' account.

**(e)** While the Vessel is at the port of deviation all port charges, pilotage and other expenses arising out of such crew changes shall be for the Owners' account.

*\*(d)(i) and (d)(ii) are alternatives. Delete whichever is not applicable. In the absence of deletions alternative (d)(i) shall apply.*

As pointed out in the Clause's Explanatory Notes, it is important to remember that such clause does not automatically guarantee cover, therefore before exercising such liberty, as with any envisaged deviation, Members must notify the Club in advance, in order to carry out the necessary evaluation as to whether cover would remain in place.



It is estimated that approximately 300,000 seafarers remain on board commercial vessels after the expiry of their contracts, as a result of crew change restrictions. Crew changes are vital to prevent psychological fatigue and protect seafarers' health, safety and wellbeing – thereby ensuring the safe operation of maritime trade. Unfortunately, it continues to be a burning issue almost a whole year after COVID-19's outbreak. The American Club places great importance on seafarers' mental wellness, which is reflected in our [Mental Health Awareness](#) initiative, developed long before the COVID-related issues arose, since incidents resulting from a seafarer's mental breakdown will have significant consequences for our Members and ship's crew. During these challenging times, the biggest enemy in situations of contract extensions is psychological fatigue, which is why we insist on reminding our Members of our mental health guidance and the plethora of mental health contacts and resources listed on our website, where seafarers can reach out for psychological support.

Furthermore, in the dedicated [COVID-19 resources page](#) on our website, the American Club's latest guidance, best practices, videos, important updates and links to important COVID-19 related maritime sites are readily accessible. It goes without saying that both our Loss Prevention and Claims teams are always available 24/7 for any questions and assistance that our Members may need.



**Joanna Koukoulis**  
Deputy Global Claims Director  
Joint Managing Director (Hellas)  
The American P&I Club

# Challenges in the use of cylinder lube oil, following the introduction of 2020 sulphur cap

BY: DIMITRIOS V. GIANNAKOUIROS

The challenges with the use of cylinder lube oils in large two-stroke engines, started back in 2005 with the entry into force of MARPOL Annex VI and the introduction of Emission Control Areas (ECAs). At that time, the use of two different cylinder lubricating oils, with low and high base numbers (BN) was considered necessary, for reasons of compatibility with fuel oils used outside and within Sulphur Emission Control Areas (SECAs).

Since 2005, the MARPOL Annex VI regulations have been variously amended, bringing the fuel oil sulphur limit down to max. 0.1% m/m for operation within SECAs and to max. 0.5% m/m for operation outside SECAs (Fig. 1).

Nowadays, the selection of appropriate cylinder lube oils becomes more critical, since vessels, which are not equipped with Exhaust Gas Cleaning Systems (i.e. scrubbers) or not using LNG as fuel, are obliged to

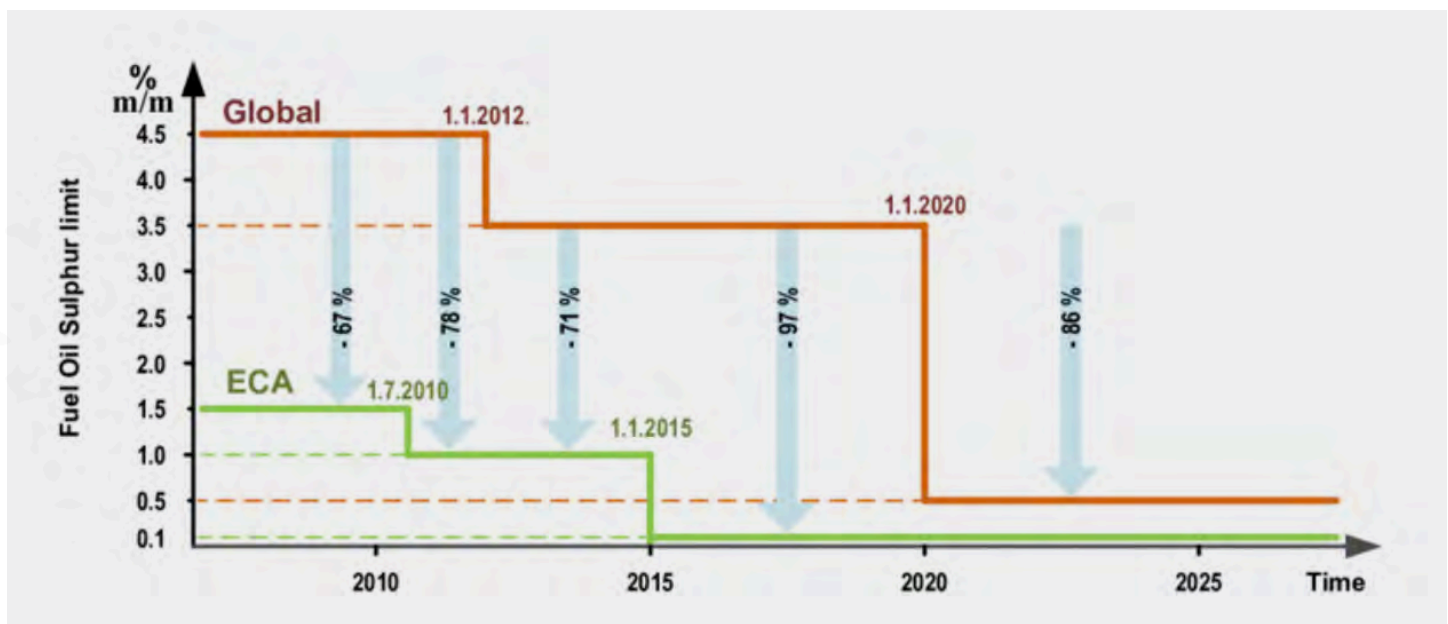


Fig. 1: Fuel oil sulphur limit decrease over time

consume bunkers with sulphur content not exceeding 0.5% m/m when sailing outside SECAs. Amongst the challenges brought by the new sulphur regulations, in force since the 01.01.2020, is the combination of cylinder lube oils with Very Low Sulphur Fuel Oils (VLSFO) to reduce the risk of accelerated wear to engine components.

The inherent acidic nature of the fuel oils is attributed to the presence of sulphur. During combustion, sulphur is converted to sulphur trioxide (SO<sub>3</sub>), which in combination with water from the combustion and the scavenge air, forms sulphuric acid (H<sub>2</sub>SO<sub>4</sub>). When the liner temperature drops below the dew point of sulphuric acid and water, a corrosive environment is generated in the engine, leading to corrosion wear of several engine components such as cylinder liners and piston rings (cold corrosion phenomenon). The cylinder lube oils provide reserve of alkalinity, denoted by the Base Number (BN) of the oil, which serves for the neutralization of the acidity of the fuel oil and the prevention of corrosion. It is therefore important to use the appropriate type of cylinder lube oil and adjust the feed rate, depending on the characteristics of fuel oil in use and the engine makers' requirements.

Nevertheless, when very low-sulphur fuels are burned and the cylinder lube oil has a high BN, the main engine may suffer from over-additivation. A surplus of alkaline additives, in the form of abrasive calcium deposits, has a strong tendency to accumulate on the piston crown top land (lateral area above the first piston ring) and may grow in thickness to an extent where it interferes with the cylinder liner running surface. These deposits may disturb the cylinder lube oil film and obstruct the piston ring movement, which could initiate micro-seizure effect on the piston rings and cylinder liner and increase the risk of scuffing, resulting in polishing of the cylinder liner wall.

Another negative effect arising from the use of high BN cylinder lube oil with very low-sulphur fuels is the total lack of corrosion, resulting in the elimination of the corrosive pits, which are normally created on the cylinder liner walls. These pits serve as "pockets" for the cylinder lube oil, enabling the formation of a lubrication layer between the liner and the piston rings. If surplus of alkalinity exists, the corrosive pits will eventually disappear and the lubrication layer will be insufficient. This naturally increases the risk of friction between the piston rings and

cylinder liner, ultimately leading to micro-seizure effect, scuffing and bore polishing, giving liner a mirror finish.

Therefore, when using max. 0.50% m/m sulphur fuel, it is crucial to control the balance of acidic/alkalinity in the engine cylinder, for avoiding putting the engine at risk from cold corrosion and at the same time minimizing the formation of excessive abrasive deposits on the piston crown top lands, ultimately leading to scuffing and increased liner wear.

The cylinder lube oil type should be therefore properly assessed to match with the VLSFO and the correct feed rate applied, for preventing engine damages. As a general rule, the lower the fuel oil sulphur content, the lower the BN level required. However, no explicit recommendations have been developed, as yet, with regard to the specific type of cylinder lube oil to be used or feed rate to be applied, as not all the engines exhibit the same corrosion levels, whilst some engine types are more prone to deposit formation than others, if the cylinder lube oil and feed rate used are not suitable.

At the period of transition to Very Low Sulphur Fuels of max. 0.50% m/m sulphur, the "trial-and-error" method is applied, for ensuring the appropriate selection and use of the cylinder lube oil.

In practice, when operating on VLSFO, the use of a 40 BN cylinder lube oil is recommended in the beginning, but depending on the condition of the engine's components, i.e. in case of deposit build-up, changing to cylinder oil with higher BN should be considered. It is important to frequently check the cylinder condition by scavenge port inspections and depending on the outcome of inspections, to adjust the type of cylinder lube oil and feed rate.

As an example, if deposits have built up on ring lands using low-BN lube oil, MAN recommend to start increasing the feed rate of the low-BN oil to up to 1.0 g/kWh; if no or insignificant improvement is found with only increased feed rate applied, to change to cylinder oil with higher BN. Moreover, the alternate use of high-BN oil and low-BN oil may be considered, on weekly basis, as some engines can be more susceptible to scuffing incidents due to liner polish. Depending on performance, the weekly interval can be adjusted to secure clean pistons, but using



high-BN oil for longer than necessary should be avoided for preventing the liner polish.

On the other hand, if deposits have built up on top lands using VLSFO fuel, it may be indicative that the cylinder oil BN may be too high. Therefore, decrease of the feed rate or change to a lower BN cylinder lube oil is recommended.

Apart from the physical inspection of the cylinder units through the scavenge ports, analysis of used cylinder lube oil taken from the engine, through sampling valves on the scavenge bottom drain pipe (*Photos 1 & 2*) - the so called “cylinder scrape down” analysis - is also a strong tool for Cylinder Condition Monitoring (CCM) and for evaluating the wear of each cylinder unit separately.

The cylinder scrape down analysis can identify issues such as under and over-lubrication, cold corrosion and the presence of cat fines, enabling the operators of the engine to optimize cylinder lube oil feed rates and react quickly to problems as they arise.

The scrape down samples are initially tested onboard, so that to obtain quick results, but following onboard testing, samples are to be also sent to appropriate laboratory to confirm onboard results.

The result of analysis will show the level of degradation of cylinder lube oil (i.e. the residual BN), where the corrosion risk begins to increase, and the total content of iron (Fe), which is indicative of corrosion wear. The level of depletion of alkalinity of cylinder lube oil is different among oil brands and engines, thus an individual evaluation of each engine is therefore recommended.



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*Photos 1 & 2: Sampling valves on the drain pipe  
- source CM Technologies GmbH*



Engine manufacturers have developed diagrams of the cylinder lube oil residual BN versus iron content (Fe), as they result from the “cylinder scrape down” analysis, which provide guidance as to the operation of the main engine (Fig 2).

## Conclusion

The newly introduced sulphur regulations are proving challenging for the selection of the appropriate cylinder lube oils. Owners/Managers need to develop a general cylinder lubrication strategy, aiming at avoiding main engine damages, arising out of the incompatibility of cylinder lube oil and Very Low Sulphur Fuel Oil used.

Selecting a lube oil which will effectively promote the efficient running of the engine, by eliminating corrosion or accumulation of abrasive deposits on the engine parts, is largely a matter of “trial-and-error”.

While cylinder lube oil of BN40 is generally recommended by engine manufacturers for Very Low Sulphur Fuel Oils (VLSFO), adjusting the feed rate or even alternating between low and high BN lube oil should also be considered, in order to find the optimum for the vessel’s specific engine type.

Frequent Cylinder Condition Monitoring (CCM) by physical inspection of the cylinder units through the scavenge ports, as well as by “scrape down analysis” will also assist in assessing the residual BN of cylinder lube oil and iron (Fe) content in the used lube oil, thus identifying wear issues at early stages and deciding on necessary adjustments.

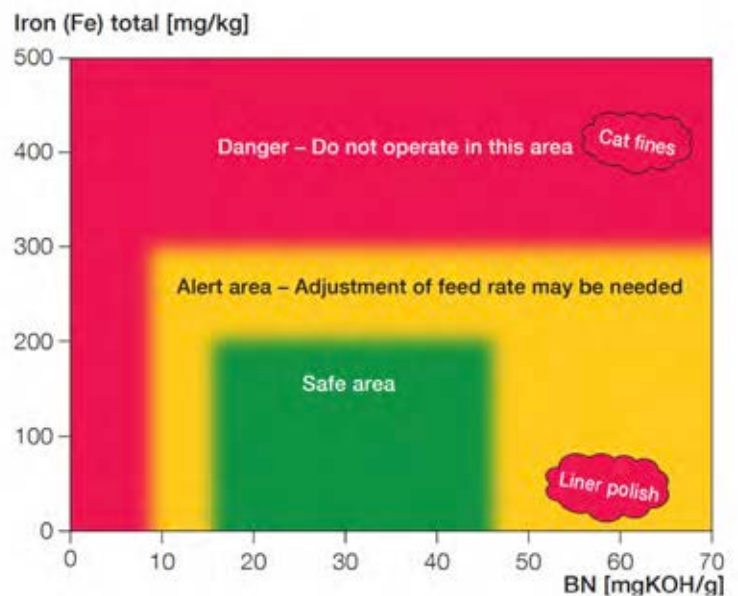


Fig 2: Drain oil BN vs. iron (Fe) – source MAN Diesel and Turbo Service Letter SL2014-587/JAP

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3. Wärtsilä, “Lubricating Oils: Information to all Owners and Operators of Wärtsilä 2-stroke engines”, Issue 5, 25 January 2016;
4. CM Technologies GmbH, “Cylinder Drain Oil Service: Sampling & Analysis, Quick Start Guide”;
5. Viswa Lab, “Excessive Liner Wear While Using the New VLSFO Fuels”, March 26, 2020;
6. MAN Diesel and Turbo, “Guidelines for Operation on Fuels with less than 0.1% Sulphur”.



**Dimitrios V. Giannakouros**  
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Technical Director - Kalimbassieris  
Maritime

# COVID-19's Other Viral Threat: Cyber

BY: IAN BRAMSON

Latent cyber risk. That's what we in the cyber business call a cyber threat that is undetected, unplanned and unanticipated.

*M*aritime has a lot of examples of these, such as when companies start connecting systems, devices and networks that were never designed to be connected. As fleets become more automated and digitized, we are connecting all sorts of systems—ones where cybersecurity was never even a consideration. The legacy networks don't have the protection, updates or design to make them cyber resilient because no one thought they would be connected when they were built. Hook up an old system to the internet, and you run the risk of unintentionally exposing it to a whole host of new cyber risks that you never considered.

## **Snap-back cyber risk.**

COVID-19 has its own latent cyber risk. With the sudden and unexpected onslaught of the COVID-19 pandemic, companies had precious little time to convert to an almost fully remote working environment. They scramble to adapt expanded and stretched networks way beyond their normal limits. As entire workforces switched to working from home, work networks mingled with home networks, people emailed documents to personal accounts and USB drives were used to help move and share files like never before.

As a result, the attack surface—the exposure points that attackers can exploit—exploded. Add to that the COVID-19 related cyber scams that have employees unintentionally clicking on bad links and you have a perfect environment for cyber malware and other exploitation to grow.

## **It's about safety.**

The snap-back risk of COVID-19 can have real-world consequences. Attackers are no longer only interested in stealing data from corporate IT systems. They now are actively trying to understand how to take control of operational networks onboard vessels. This means they now want to take control of navigation systems, engines, valves and anything else they can get their hands on. The operational networks that control these systems, called operational technology (OT), are uniquely exposed to these kinds of attacks. This is because, as you might guess, they were never designed to have the kind of connectivity we now have.

As attackers target OT systems, cybersecurity becomes a real-world cyber safety concern. Cyber risk impacts vessel, public and environmental safety.



### **You cannot socially distance a network.**

Once your systems and networks are interconnected, and connected to the Internet, malware and intruders can spread almost instantaneously. The most you can do is segment, protect and monitor those networks. Unfortunately, too many OT networks do none of these.

Contact tracing a cyber attack is very difficult. Once in, it can be extremely hard to see where malware or an attacker has spread. It can spread in nanoseconds and attackers can be very skilled at covering their tracks. This is much harder in the OT environment, where it takes very specialized expertise to even understand how an attack could spread.

No system is standalone. There is a perception that some systems are not connected to anything, thus they have an “air gap” and are not vulnerable. That is incorrect. From updates to operations, systems will have some form of connectivity, even if it is someone running an update from a disk. The general rule in cyber is, if someone can get to it, they will.

### **Cyber hyper-mutates.**

We are hoping that COVID-19 does not significantly mutate. Unfortunately, the nature of cyber is to hyper mutate. Every malware, every attack type and every mutation are being continuously adapted. Attackers are relentless at refining their attacks. Malware strains last months, weeks or days before new iterations come out. As we become more digital, we reshape the environment for cyber attacks.

They respond by being in a constant state of change. You can't only consider the last attack; you need to anticipate the next one. Constant vigilance, flexibility and adaptation is the nature of cyber.

### **You need good cyber hygiene.**

What can you do? First, you need to account and plan for cybersecurity. It is now a business imperative. It needs to be a daily part of operational and safety risk management.

You then need to proactively manage it. This means that you need to create a cyber program that accounts for the assessment, planning, protection, defense, detection and response needed to minimize your cyber risks.

There are a number of cyber technologies, services and solutions that can help you protect your networks. Find the right partners who have the deep expertise in IT and OT environments and work with them to build the program that fits your specific situation. Strong cyber hygiene can prevent most cyber infections. It can also help you handle a critical exploitation if you are unfortunate enough to have to face one.

#### **About the author:**

Ian Bramson heads the global cybersecurity organization at ABS Group of Companies, Inc. (ABS Group), an affiliate of American Bureau of Shipping (ABS), where he works closely with senior executives across the maritime sector to help minimize their cyber security risks. For over 20 years, Ian has helped organizations adapt to their digital environments and solve business challenges related to industrial cybersecurity, risk management and digital transformation. He has built successful companies, global sales organizations and cybersecurity programs across multiple industries. Ian is a recognized thought leader and market developer in the emerging threat landscape of attacks on industrial operations and critical infrastructure. He has a bachelor's degree in Economics and English from Cornell University.



***Ian Bramson***  
*Global Head of Cybersecurity  
at ABS Group*



THE ERA OF VIRUSES

# UNITED STATES Loss Prevention Partnership Webinars

## COVID-19

October 6, 2020

The global COVID-19 pandemic has resulted in many challenges for the maritime industry in the United States. The American Club partnered with the United States Coast Guard and Future Care, Inc. to address the value of collaboration between government and industry port stakeholders to help facilitate the flow of commerce and protect the health and safety of essential maritime employees. The workshop also addressed medical responses to the pandemic, best practices in managing the consequences of shipboard outbreaks, loss prevention measures and handling of incidents and P&I claims.

### PARTICIPANTS:

- **Captain Jason Tama**, Commander, Sector New York, Captain of the Port, [USCG](#)
- **Dr. Arthur Diskin**, Global Medical Director, [Future Care, Inc.](#)
- **Dr. William Moore**, Senior Vice President & Global Head of Loss Prevention, [SCB, Inc.](#)
- **Boriana Farrar**, Vice President, Senior Claims Executive & Business Development Director, Americas, [SCB, Inc.](#)
- **Jack O'Kane**, Claims Manager, [SCB, Inc.](#) (Houston)



## Maritime Cyber Security

United States, October 6, 2020

The American ABS Group described threat actions that can be taken against the automated ship ballast systems on a container ship. In the second scenario, the Chief Officer's control of the automated volume monitoring system, loadicator software, is compromised during a recent planned maintenance event. The ballast pump rate, now incorrectly calibrated, prohibits the Chief Officer from completing the stability operation, resulting in lack of propeller submersion, decrease in engine efficiency, impact to Estimated Time of Departure (ETD), and even torsion stress on the hull and possible bending.

A further presentation on the role of P&I and FD&D cover relevant to cyber attack events and a summary of the American Club's loss prevention activities for cyber awareness will be presented.

### PARTICIPANTS:

- **Ian Bramson**, Global Head of Cyber Security, [ABS Group](#)
- **Dr. Dennis Hackney**, Head of Cyber Solutions Development, [ABS Group](#)
- **Dr. William Moore**, Senior Vice President & Global Head of Loss Prevention, [SCB, Inc.](#)
- **Boriana Farrar**, Vice President, Senior Claims Executive & Business Development Director, Americas, [SCB, Inc.](#)
- **Müge Anber-Kontakis**, Vice President, Global FD&D Manager & Counsel, [SCB, Inc.](#)



THE ERA OF VIRUSES

# INTERNATIONAL Loss Prevention Partnership Webinars

## Maritime Cyber Security

November 10, 2020

The American ABS Group described threat actions that can be taken against the automated ship ballast systems on a container ship. In the second scenario, the Chief Officer's control of the automated volume monitoring system, loadicator software, is compromised during a recent planned maintenance event. The ballast pump rate, now incorrectly calibrated, prohibits the Chief Officer from completing the stability operation, resulting in lack of propeller submersion, decrease in engine efficiency, impact to Estimated Time of Departure (ETD), and even torsion stress on the hull and possible bending.

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- **Dr. Dennis Hackney**, Head of Cyber Solutions Development, [ABS Group](#)
- **Dr. William Moore**, Senior Vice President & Global Head of Loss Prevention, [SCB, Inc.](#)
- **Elina Souli**, LL.M., Vice President, FD&D Claims Manager (EMEA) & Business Development Director (EMEA), [SCB \(Hellas\), Inc.](#)

Scenario 1

In the first scenario we describe threat actions that can be taken on the Dynamic Positioning (DP) system of an Offshore Support Vessel (OSV). In this scenario, control and redundancy of the DP is lost during station keeping resulting in an unsafe disconnect.



[CLICK TO WATCH THIS VIDEO ON THE AMERICAN P&I CLUB'S YOUTUBE CHANNEL](#)

ABS Group

## COVID-19

November 12, 2020

The global COVID-19 pandemic has resulted in many challenges for the maritime industry. The American Club partnered with Future Care, Inc. to address medical responses to the pandemic, best practices in managing the consequences of shipboard outbreaks, loss prevention measures and handling of incidents and P&I claims.

### PARTICIPANTS:

- **Dr. Arthur Diskin**, Global Medical Director, [Future Care, Inc.](#)
- **Dr. William Moore**, Senior Vice President & Global Head of Loss Prevention, [SCB, Inc.](#)
- **Elina Souli**, LL.M., Vice President, FD&D Claims Manager (EMEA) & Business Development Director (EMEA), [SCB \(Hellas\), Inc.](#)
- **Joanna Koukoulis**, Senior Vice President, Deputy Global Claims Director & Joint Managing Director, [SCB\(Hellas\), Inc.](#)



[CLICK TO WATCH THIS VIDEO ON THE AMERICAN P&I CLUB'S YOUTUBE CHANNEL](#)



# The American Club Pre-Employment Medical Examination (PEME) Program Webinar

The American Club requires that seafarers originating from Bulgaria, India, Indonesia, Latvia, Philippines, Poland, Romania, the Russian Federation and Ukraine must comply with the requirements of the American Club PEME Program. Learn more about this program and the clinics that serve it. The webinar also addressed medical responses to the pandemic, best practices in managing the consequences of shipboard outbreaks, loss prevention measures and handling of incidents and P&I claims.

## PARTICIPANTS:

- **Elina Souli**, LL.M., Vice President, FD&D Claims Manager (EMEA) & Business Development Director (EMEA), [SCB \(Hellas\), Inc.](#)
- **Dr. William Moore**, Senior Vice President & Global Head of Loss Prevention, [SCB, Inc.](#)

## FAQs regarding PEMEs

- **Does the Club's mandatory PEME requirements apply to all seafarers?**  
Only for seafarers and shipboard personnel from Bulgaria, India, Indonesia, Latvia, Philippines, Poland, Romania, the Russian Federation and Ukraine
- **Within what time period must a seafarer join his ship after a mandatory PEME?** 90 days. If beyond that period, please contact the Managers if extension is requested
- **Do seafarers need a new Club PEME for each contract?**  
No! Club PEME is valid for duration as on certificate
- **If the seafarer's Club PEME is to expire near to or during the course of the contract, what is to be done?**  
We recommend that Members ensure a new Club PEME is performed so that their PEME will cover the current contract



# VLOGS (VIDEO LOGS)



## The American Club, EOM, COVID-19 and the Changing World

When the fear and uncertainty of the COVID-19 pandemic first gripped the world, Joe Hughes, Chairman and CEO of the American Club and Eagle Ocean Marine's Managers, Shipowners Claims Bureau, Inc., recorded a message to reassure Members, Insureds and friends that while the world might change, the Club and EOM's commitment to them would not waver.



## American Club Connected

As the unprecedented global pandemic swept across the world changing the way we live and work, the American Club and Eagle Ocean Marine's personnel from East to West looked to let their Members, Insureds and friends know that while business might look different, the service remained the same – from wherever they might be working. The Club and EOM stayed connected.



## Weathering the Storm

The COVID-19 pandemic brought new realities to the millions of unsung heroes working on the world's waters. The American Club and Eagle Ocean Marine – along with their Members, Insureds, surveyors and others who donated their time, their photos and their videos - honored these essential front-line workers. These heroes of the sea adjust, and carry on, knowing that "Life's roughest storms prove the strength of our anchors".







## Seafarer Mental Wellness – Five Things the Industry Can Do Now

A recent study by the ITF and Yale University showed that even before the advent of the COVID-19 pandemic, 20-25% of seafarers suffered from anxiety or depression and that 20% had recent thoughts of suicide. Christopher L. Hall – Managing Director (Hong Kong), SCB Management Consulting Services, Ltd. and Business Development Director (Asia) – offers five things that the industry can do now to help seafarers cope with feelings of anxiety and/or depression.



## Bills of Lading (Bs/L) and Letters of Indemnity (LOIs) – COVID-19 Precautions

Elina Souli – FD&D Manager (Hellas) and Business Development Director (EMEA) for the Managers of the American P&I Club offers an introduction to the basic functions of Bills of Lading (Bs/L) and Letters of Indemnity (LOIs), outlines how those are being utilized during the COVID-19 pandemic and highlights some red flags of which to be aware.



## Safe Boarding – Three Keys

Earlier this year, the Club hosted local Members, pilots, and industry experts in New York City for a round table discussion entitled “Safe Boarding of Vessels”.

In this video, Danielle Centeno – Vice President, Loss Prevention/Survey Compliance – discusses three keys to safe boarding that came out of that session.





## Sanctions Compliance – The New Norm in Shipping

Recent advisories and pronouncements by the US demonstrate the US government's commitment to prevent sanctions evasion, smuggling, criminal activity and facilitation of terrorist activities with a focus on Iran, North Korea, Cuba and Syria. However, the US is now also using sanctions as a means to force changes in the regime of Venezuela.

Ultimately, and as a result of the use of sanctions by the US as a weapon to effect global political change, the need for the maritime community to assess their sanctions risks and to implement compliance controls, has become of paramount importance.

Daniel A. Tadros, J.D. – Chief Legal Officer for the Managers of the American P&I Club – reviews the latest developments in the critical area of sanctions and compliance that all vessel operators need to be aware of as they emerge from lockdown and return to business as usual.



## VLogs – New Mandarin Subtitles

Many of the Club's and EOM's vlogs have been posted with New Mandarin subtitles with more being added as they are finished. These are available on the Club's YouTube Channel in the New Mandarin Playlist.



# Joe Hughes reflects on 25 years at helm of American Club

The New York mutual has grown into a diverse, mainstream marine insurance provider  
3 July 2020 12:37 GMT UPDATED 3 July 2020 12:37 GMT  
By Adam Corbett

in London

American Club chief executive Joe Hughes will have been running the protection and indemnity mutual for 25 years come August.

The Covid-19 impact on New York means there will be muted celebrations to mark the occasion. But he looks back over the past quarter of a century, he reflects that the club is "completely unrecognisable from what it was 25 years ago".

In that time, achieving membership of the International Group of P&I Clubs has put it among the sector's elite. Under Hughes' leadership, the addition of hull insurer American Hellenic Hull and first premium outfit Eagle Ocean Marine helped established it in all the main marine insurance sectors



All things considered, Hughes is satisfied with the increase in average P&I rates per tonne, while a reserves by 20%.

American Hellenic Hull has begun to contribute growing its premium base. Eagle Ocean Marine 80%, indicating an underwriting profit.

Although the American Club had to make a significant

July 15, 2020 | News, Shipping

# American Club manager makes key New York appointments

Written by Marine Log Staff



# Watch: Industry Called Upon To Step Up Care Of Seafarers' Mental Health During Pandemic

By M News Network | In: Shipping News | Last Updated on June 12, 2020



Protection & Indemnity (P&I) insurers American Club and Eagle Ocean Marine points that can immediately make a difference in a video log entitled 'Things the Industry Can Do Now'.

Continuing their commitment to supporting seafarers and ship owners precipitated by the COVID-19 pandemic, American Club and Eagle Ocean Marine available key advice on maintaining seafarers' mental health via a video log.



the heroes at sea

Joe Hughes, Chairman & CEO Shipowners Claims Bureau, Inc., Marine Club, commented:

"Already of major concern to those involved in the shipping industry, it is essential that we ensure the mental health of our seafarers during this COVID-19 pandemic."

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of Operating Officer (DCOO) with ir ident and Director of Claims for th

figure within the global industry, D -two years ago. She joined SCB's i moving on to be its Manag

# American Club update on pre-employment (PEME) and Covid-19

By admin On June 29, 2020 In Insurance Marine News, Keep, Marine Liability

American Club has said that the significant restrictions to perform regular crew changes continued to be a challenge superseding the previous policy notified in Circular 16/2020 extending the validity of American Club PEME certificates for Bulgaria, India, Indonesia, Latvia, Philippines, Poland

1. currently hold valid American Club PEME certificates until August 31, 2020, and
2. are currently deployed onboard a vessel entered in the American Club database.

For seafarers awaiting deployment, the current requirements are:

# Eagle Ocean Marine enters 10th year of business

by Ryan Smith 10 Jul 2020



# American Club and ABS launch e-learning module for chemical tankers

October 26, 2020

The close collaboration between the American P&I Club and ABS continues to deliver new loss prevention initiatives in the industry.

The two organisations have produced a new e-learning module on tanker operations, brought to life by state-of-the-art animations by a frequent contributor to the American Club's loss prevention ca

The new e-learning module, entitled CHEMICAL TANK, has been developed in accordance with the IMO Model Course 1.03 Advance Training for Chemical Tanker Cargo Operations – 2016 Edition in compliance with competency and knowledge requirements as contained in the Code of Practice, Table A-V/1-1.3, Specification of minimum standards for advanced training for chemical tanker cargo operations. It is an important new addition to the American Club's growing list of environmental protection related materials.

This initiative is the latest development in an increasing trend of collaboration between the American Club and ABS in the area of loss prevention which has, in the recent past, embraced a range of measures to prevent injury caused by slips, trips and falls on board of vessels from cyberattack.

Speaking in New York, Dr. William Moore, SVP of Loss Prevention at the American Club's Managers, Shipowners Claims Bureau, is pleased to be launching this important new e-learning module. He is also pleased to be doing so in conjunction with our ongoing efforts to continue to develop new initiatives to enhance the safety of the sea, and the protection of the environment.



ABS Consulting, a subsidiary of ABS focused on safety and risk management, and the American Club have joined forces to provide education, training and insurance guidance to the industry on comprehensive cyber security programs. Comprehensive cyber security programs are not only necessary to protect operations, but also critical to protect the overall safety of crew and the environment. More frequent attacks, increased digitalization and an emerging global regulatory focus are adding to the immediate demands to address and reduce cyber risk across the industry's value chain. Security has become a business imperative and new measures will have an impact on maritime vessels and facilities will be covered by insurers.

"The safety and security of our members is a priority. Having a better understanding of the risks available, the programs that can be implemented and the integration of these in the industry will help us provide better services to shipowners and charterers globally," said Dr. William Moore, Director of Loss and Prevention at the American P&I Club.

"The work we are going to do with ABS Consulting is to help our members understand the risks, policies, and the offerings we need to insure against."

"Collaborating with ABS Consulting is a key initiative for the American Club."

# VIDEO: Five steps to take to protect seafarers' mental health

Written by Nick Blenkinsop



The video is presented by the American Club's Managing Director in Hong Kong, Chris Hall. Protection & Indemnity (P&I) insurers American Club and Eagle Ocean Marine are urging the industry to step up care of seafarers' mental health. They have just released a video giving advice on key action points that can immediately make a difference.

"Already of major concern to those involved in the shipping industry, the condition of seafarers' mental well-being has become more critical during the COVID-19 pandemic," says Joe Hughes, Chairman & CEO Shipowners Claims Bureau Inc., Managers for the American Club. "Since the outbreak of the pandemic we, at the American Club and Eagle Ocean Marine, have attempted to bring the need for action to the attention of owners, managers and authorities alike."

The video is presented by the American Club's Managing Director in Hong Kong, Chris Hall.

# ELENAVI MONTHLY SHIPPING REVIEW



Elina Souli: The American Club continues empowering women in the industry

... took hold, an ITF survey, in collaboration with Yale University, identified that some form of mental ill-health. COVID delays in crew on contracts and voyages have also led to higher levels of stress for seafarers. This Compendium and animations also address the industry challenges ashore and afloat pertaining to the MARPOL Annex VI sulfur cap regulations that took effect on January 1, 2020. Additionally, as a result of the COVID-19 pandemic, the Club released further guidance on best practices for bunkering during the pandemic. Our materials are available on our website for the industry.

**- What were your organisation's results of P&I renewals in mutual gross tonnage?**  
 - Answered by Joseph E.M. Hughes, Chairman & CEO Shipowners Claims Bureau, Inc., Managers for THE AMERICAN CLUB: Tonnage entered in the American Club's mutual P&I and FD&G classes of business are approximately 17 million GT and 11 million GT respectively as at February 2020 renewal. However, average premium rates per ton in the P&I sector of the Club's business are nearly 10% higher than they were twelve months ago, an encouraging sign for the future against a market background of chronically soft risk pricing. The Club's Eagle Ocean Marine fixed premium product has also continued to make excellent progress with year-on-year revenue growth of about 12%, with underwriting risks underwriting subsidiary, continues to perform conspicuously well. Its results for the 2019 financial year disclosed sharp increases in both revenue and profitability, a trend which has persisted into the first half of 2020. Overall, despite the current challenges of COVID-19, the American Club is richly equipped, by virtue of its diverse and flourishing capabilities, to grow its market share across an increasingly broad landscape of marine insurance opportunity.



... in 2019

4SI

GREEN

Protection

Cyber security

ABS jointly publish cyber security guidelines with ABS launching Managing Cyber Risk Club: An Overview report, focusing on a range of cyber security.

... that have been raised in the shipping industry concerning cyber security response to a cyber risk event once it materializes? or "What can be done to prevent and mitigate cyber risks in such cases?"

... the any number of shipboard problems for the Master and crew, such as, but not limited to:

... crew who have other tasks to take care of by creating a backlog of work that require sending IT personnel to the vessel to assist adding to the workload. This could mean losing vital safety and maintenance records, and the vessel from using navigational aids such as tides and maintenance programs, alarm.

... On cruise ships this could include the passenger manifests as well as the ship's log.

# Dorothea Ioannou

## Deputy Chief Operating Officer (DCOO)

APPOINTED JULY 2020

Dorothea Ioannou has been appointed Deputy Chief Operating Officer (DCOO). In this new role, Dorothea will provide support to Vince Solarino, President and COO and, by extension, to Joe Hughes, Chairman and CEO. Her duties will entail the day-to-day oversight of the Managers' operating activities in their offices across the world, as well as involvement in the setting of management policy and global strategy in general.

A New York-lawyer by training, and a well-known figure within the global industry at large, Dorothea began her career in marine insurance over twenty-two years ago. She joined the Managers' Piraeus office in 2005, originally as a claims specialist, but quickly moving on to be its Managing Director. She subsequently led the Club's business development activity, regionally at the outset and then globally over the next several years. Since 2018 Dorothea has been the Managers' Chief Commercial Officer. Her more recent responsibilities have embraced a wide spectrum of management functions in preparation for her new duties.

In her new role, Dorothea will be supported by key members of the senior management team, each with increasing responsibility as your Managers continue to develop their capabilities in fulfillment of the Club's mission for the future. Dorothea will relinquish her previous oversight of business development to Tom Hamilton who will now take on that assignment in conjunction with his existing duties as Chief Underwriting Officer, in which position he will continue to oversee underwriting strategy.

Arpad Kadi continues as Chief Financial Officer and Dan Tadros remains as Chief Legal and Compliance Officer. The burgeoning legal and regulatory landscape to which Dan applies his skills is matched only by the growing complexities of the financial domain within which Arpad's expertise is deployed.

As Dorothea transitions to her new position in global operations, Members will no doubt wish to join the

Managers in wishing her the best of good fortune in the fulfillment of her new responsibilities as part of a dedicated, and developing, key executive team.



# Mary (Molly) McCafferty

## Senior Vice President and Director of Claims for the Americas

JOINED THE MANAGERS' NEW YORK OFFICE SEPTEMBER, 2020

Molly is a well-known and highly-regarded figure in the maritime community. She has a wealth of experience derived from a career which has included the practice of law, P&I club correspondency and senior executive positions with international shipping companies, most recently as general counsel to a leading operator in the bulk trades.

*A* US attorney by training, Molly is admitted to the Bars of Connecticut and Florida. Among her many professional affiliations, she is a Member of the Society of Maritime Arbitrators and sits on its Board of Governors. She is also a Director of New York Maritime, Inc. (NYMAR).

As a key member of the senior management team, Molly's responsibilities at Shipowners Claims Bureau will include the supervision of all claims and related activities across the Americas. She will report to Don Moore, Global Claims Director and Joanna Koukouli as his Deputy in that role, as required.

Those who have known Molly over the years will already be familiar with those high standards of professionalism which have characterized her career to date. Those who will come to know her as she fulfills her future responsibilities will no doubt be equally impressed by the renewed application of her P&I, legal and other skills to the management of the American Club.



# Jack E. Jowers

## Assistant Vice President - Claims Executive

JOINED THE MANAGERS' HOUSTON OFFICE SEPTEMBER, 2020

Jack has been Vice President and General Counsel and DPA of a fleet of crew/fast supply vessels in the U.S Gulf for over ten years, where he negotiated and implemented P&I, hull & machinery, EPL, and health care policies. He provided legal advice, strategy and directed claim management for all these insurances. He also developed and implemented the company's ISM system and created all company marketing materials, as well as social media presence.

*H*e founded and was Executive Director of a non-profit start-up and advocacy group which lobbied for the rights of professional archeological salvors. Before that, within four years he worked his way up from deckhand, to diver, and then Captain for another next four years, of salvage vessels responsible for the recovery of treasure and artifacts from wreck sites.

Jack is admitted to the Federal District Courts in the Central, Eastern and Western Districts of Louisiana.

His responsibilities at Shipowners Claims Bureau will include the handling of claims and related activities assigned to the Houston office.





# Steaming Ahead 2021

January 1, 2020 presented us with a new decade and promise to see clearly ahead with 20/20 vision, albeit with headwinds created by well-intended environmental initiatives like the 2020 Sulphur Cap. Sustainability initiatives were also embraced and actively engaged by much of the global industries. The future looked bright, economies were strengthening, and the challenges and initiatives looked doable on a world-wide scale.

BY: VINCE SOLARINO

However, like a 100-year storm, Covid-19 swept over the world triggering a pandemic that most of the world was unaware and unprepared for at the start of this very promising decade. The economic and human loss hit most countries with a tsunami-like wave that has devastated businesses and lives on a scale that most people alive today had ever experienced. And the wave of this insidious invisible enemy is still sweeping over us triggering continuing lockdowns of personal and business activities. The more this type of defensive measure is employed, the more uncertainty there will be of sustainability and survivability of many businesses as well as societal norms and civility.

Quickly adapting from the sudden impact to our traditional method of managing the Club to a 'remote' method during these unprecedented times surely speaks volumes to the effective business model and instinctive flexibility and sustainability of the American Club and its talented team of professionals in every time zone. We have



been fortunate and proud to have been able to provide uninterrupted service to our Member/Assureds assisting in every way possible to help them navigate through this storm. We are also proud of our Members who have been managing their businesses thus far in very difficult times contending with Covid-19, growing regulations and sanctions, on top of a long-tailed erratic freight market. We are also empathetic of the severe impact on the cruise industry and its major economic impact on worldwide tourism.

So, we are certainly ready for 2021 and what it promises to be, but we will not soon forget what 2020 has done to business, family, and friends. While polarized small-minded, large-ego driven politicians posture and minimize the never-before development of three vaccines for Covid-19 in record time, we the real people and real businesses look forward to the fast distribution of life-saving, business-saving, and society-saving cures so that we can celebrate all those businesses, friends and families that are no longer with us as heroes who fought against an enemy we collectively defeated.

**God bless the fallen.  
God bless us all for a healthy  
and prosperous 2021!**



**Vincent J. Solarino**  
*President & COO  
Shipowners Claims Bureau, Inc.  
New York, NY, USA*



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