CURRENTS

Issue Number 37 - August 2016

CURRENTS

Issue Number 37 - August 2016

3 Introduction

4 Claim Handling Strategies

8 Arbitration and Seamen Claims

10 FD&D Corner

14 E-mission Control (Part 2)

18 Oil Pollution Fines in Australia

20 American Hellenic Hull

22 American Club Events

30 Steaming Ahead...

Above:

Prince Henry the Navigator Statue

Henrique, Duke of Viseu (1394–1460), better known as Henry the Navigator, is regarded as an originator of the Age of Discovery and is celebrated worldwide as the Prince of Navigators. Although he was neither a sailor nor a navigator, Prince Henry was the driving force of the Portuguese explorations during the 15th century for the systematic exploration of Western Africa, the Atlantic Islands and the search for new routes. Statues in honor of Prince Henry can be found throughout Portugal, including Lisbon, Lagos and Porto, Fall River and New Bedford, Massachusetts (USA), London, Liverpool (UK), and Sydney (Australia).

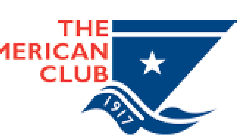
Color Code

- General Claims & Industry Information
- FD&D Corner
- Loss Prevention
- Correspondents' Corner

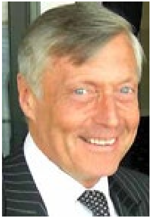
Production and design by:
Maria Mavroudi

Editor:
Dorothea Ioannou

Illustrations by:
Mr. John Steventon



INTRODUCTION



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

I recently attended the Lloyd's of London New York City Dinner. They take place every two to three years. They are aimed at showcasing the market's recent results and thanking those in North America who do business with Lloyd's.

John Nelson, chairman of Lloyd's, spoke at the dinner, as did John Micklethwait, editor-in-chief of *Bloomberg News* and formerly editor-in-chief of *The Economist*. They both had interesting things to say.

John Nelson, even as he celebrated Lloyd's recent financial results, struck a cautionary note. The international property and casualty markets faced serious challenges. These lay in the disconnect between the capital committed to underwriting and the premium income available to absorb losses.

A recently benign claims environment had drawn a surfeit of new capital into the market. This was prolonging the uneconomic pricing of risk. In short, too much capacity was chasing too little premium. When the incidence of catastrophic losses (in particular) reverted to its historical mean, this could place underwriters under great stress.

John Micklethwait talked more generally about risk, linking the business of insurance with current macroeconomic and geopolitical conditions. He warned against confusing the improbable with the impossible.

An eventuality with only a 20% probability of occurring (and thus being far from a "black swan") should never be discounted. This was relevant not only to insurance, but also to the likelihood, in the larger world, of certain political or economic outcomes. In short, the improbable tends to occur with counterintuitive regularity. The recent triumph of Leicester City in the English Premier League was a case in point!

John Nelson's remarks form part of a larger market commentary in which others have made similar observations in recent years. John Micklethwait's comments speak to the unpredictability of human affairs in which insurers, nevertheless, willingly participate.

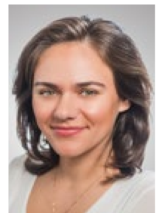
2015 was a year of achievement for the American Club, as its forthcoming Annual Report will indicate. In particular, claims for the Club's own account developed exceptionally well, even if investment income contributed less to overall results than it had done in earlier years. Moreover, notable initiatives were undertaken, including the exciting American Hellenic Hull investment which holds much promise for the future.

As both John Nelson and John Micklethwait would agree, these encouraging developments cannot be projected as the certainties of the future. But there are grounds for optimism that recent initiatives will continue to move the Club forward with vigor to its one hundredth birthday in 2017. A centennial history of the American Club will be published toward the end of 2016, available in good time for next year's celebrations. It provides a uniquely American perspective on the role and dynamics of the P&I world.

As the American Club enters into its second century of service to global shipping, it looks back with satisfaction on its most recent year of activity, and with pride on the decades of distinguished enterprise which preceded it. Most especially, the Club looks forward with excitement to the many years of achievement yet to come.

Joe Hughes

CLAIM HANDLING STRATEGIES



by: Marivi Banou
Deputy Claims Manager
Shipowners Claims Bureau (Hellas), Inc.
Piraeus, Greece

A very critical part of the business of maritime operations is the efficient handling of claims that inevitably arise. Having been exclusively employed in the marine insurance claims sector since 1999, I have seen a huge range of the types of claims that the ship operator will encounter. Naturally, claims can be both straightforward and complex but either way, they need the right handling in order to be resolved in the best practical and cost effective manner. Of course, the claims that tend to be the complex ones are the largest ones since they involve many parameters and factors that impact on liability that you have to deal with. Some of these are the direct commercial and financial consequences, the applicable legal systems and jurisdictions, the involved insurance covers and sometimes the involvement of the local and national government authorities. In addition, an incident may also require extensive guidance, administration and assistance from technical experts and lawyers.

Although incidents and casualties may have similarities, they are nevertheless not the same in view of the various and different aspects and facts that surround each incident. Sometimes, they may even take an unexpected turn and in this case, one needs to be on the alert so as to identify the variables and be able to properly address them. The insured comes against various aspects that need to be assessed and considered, questions as to the various steps that need to be properly followed, and parties that require instruction to be involved.

This is the basic reason that the P&I (and any insurer) needs to be promptly notified of an incident and be kept closely advised and involved. The best remedial strategy requires close liaison and this is because the claim handlers have the experience to properly and timely deal with all claims and matters as they come due to their day to day exposure to numerous incidents and can provide core guidance in any situation. A claims handler may even be in the position to give the right solution at an early stage and before the matter escalates due to the knowledge acquired particularly through experience.

The Strategic Steps following an incident would involve:

1. Early notification which is essential. The insurer, depending on the nature of the incident, will provide the respective and proper advice and guidance as to the steps that need to be followed for the most suitable handling of the matter. If a matter is being properly dealt with at the very early stages, then there are more chances to properly control it. In general, the key is to take a proactive approach and coordinate the necessary parties without delay.
2. The identification of all potential claims involved as well as their nature. This is important because in many occasions more than one nature of claim may be involved i.e. both P&I and FDD and thus this needs to be determined at an early stage in order to properly assess liabilities and allocate costs.
3. The appointment of all necessary professionals including correspondents, surveyors, experts, lawyers depending on the requirements of each case and nature of the incident.
4. The proper and timely collection of all evidence ensuring the most efficient and effective defense of the potential claim. Any consequent successful dealing depends on collecting sufficient and appropriate evidence.
5. Assessment of the potential exposure, liabilities and evaluation of the merits of the claim. What should be taken into considering in the assessment are item 4 above as well as the applicable contracts and laws involved. This part is important in order to ascertain whether a claimant rightfully raises his claim against the vessel.
6. The estimation of the quantum of the claims. Same should be representative of the alleged damages/ losses and not reflect an arbitrary figure.
7. Arrangement for provision of security -when required-. The strategic role of the provision of security, particularly in the form of an LOU (Letter of Undertaking), is to facilitate free movement of the vessel while at the same time the claimant's claim is secured.
8. Negotiations of the potential claims eventually presented by opponents. Claimants will be required to disclose a fully documented/supported claim for proper consideration. Negotiations will be based by taking into account the merits, actual damages, causes and the rights of limitation under applicable contracts and laws.

Claim handling is a multi-discipline function and requires the knowledge and expertise of the professionals involved in order to provide competent handling of each case and proper guidance. While each claim, depending on its nature, has its own particulars in terms of actions to be followed, the structure and basic core of the handling itself is the same i.e. by going through the steps mentioned above.

One of the best strategies however, would be ensuring pre-emptive action, as opposed to reactive action, i.e. the precautionary measures taken. Good claims handling starts before the claims come in and this is achieved by being pro-active. This applies to all covered risks. The claim team of an IG P&I Club, such as The American Club, can provide information, assistance and guidance on the measures that need to be taken in various matters to reduce potential risk. For example, there has been a time where steel cargo claims at discharge have been frequent due to allegations of damages that existed prior to loading. In view of this trend, the Association encouraged

continued from page 5

members to conduct condition surveys on the steel cargoes at load so that their condition would be properly recorded and the Bs/L properly claused. Nowadays, the claims in steel cargoes have been almost eliminated. Of course, preload as well as discharge precautionary surveys can be conducted with all type of cargoes in an effort to reduce the risks that may be consequently faced at discharge since the shipowners, this way, are in a much better position to defend claims raised against them.

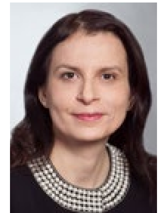
Another example is with regards to the crew. The Association has formulated a very thorough PEME program that requires crew originating from 9 specific nationalities to undergo the Associations' specific PEME exams. The primary objective for this program was to protect owners from claims that arise from medical conditions existing prior to employment and to provide crew with a stringent check before going to sea. This program has been successful in reducing the frequency of illness claims arising in respect of seafarers employed on the vessels which would otherwise have arisen.

Furthermore, the claims team is often called to provide contractual advice/guidance such as charterparty clauses that would tighten up the contracts and shift the liability away from the insured and we are also asked to provide input with regards to claim trends in various ports and advice on what owners should be vigilant about. Guidance/input/information/training tools can also be provided in matters of safety, protection of the marine environment, maritime security as well as ship survey compliance. There are also claims prevention and mitigation related best practices and guidance to control P&I related claims (e.g. related to code of practice for the safe loading and unloading of bulk carriers, entry into enclosed spaces, Marpol related compliances, ebola virus disease, bagged rice cargoes, piracy, fatigue etc. and is updated based on the issues that arise each time).

It is essential to provide up to date knowledge and expertise on important issues with regards to claims, industry trends and loss prevention measures in an effort to encourage higher standards and create awareness of best practices as all of these elements are a vital part of loss mitigation and avoidance of incidents/casualties which ultimately impact on cost effective management. Knowledge through continuing education and training is a fundamental strategy in preventing a problem or diminishing it and these days, particularly with the evolution of technology, this can be easier achieved.

Although there is a common strategic pattern on which the handling of claims can be based, every claim itself has its own specific strategy, depending on the parameters surrounding every incident. The key elements though are prompt notification, determination of the nature of the claim, the appropriate use of the extensive network of lawyers, experts, correspondents and surveyors, collection of all evidence to formulate your defense, evaluation of merits and assessment of liabilities, all leading to the best leverage in the consequent negotiations towards the proper resolution of the claim. All of them can be properly achieved and coordinated by the guidance/assistance of the P&I claims handlers based on their knowledge and experience acquired by the plethora of incidents they are being exposed to. In addition to experience, tactical skills in combination with the ability to communicate and negotiate effectively and professionally will bring the best result.

ARBITRATION AND SEAMEN CLAIMS



by: Boriana Farrar
Vice President, Senior Claims Executive, Counsel
Shipowners Claims Bureau, Inc.
New York, NY, USA

Shipowners who have been seeking a commercial method for resolving Jones Act U.S. seaman injury claims, without having their cases tried by a jury, have turned to post-injury arbitration agreements. Typically, these agreements provide that the shipowner will continue to pay the seaman's wages during disability and, when disability ceases, the seaman will attempt to negotiate a settlement with the shipowner. If the parties fail to reach agreement, the dispute will then be arbitrated.

The Courts have held such post-injury arbitration agreements to be enforceable pursuant to section 2 of the Federal Arbitration Act (FAA) which requires Courts to enforce maritime arbitration agreements. However, it has been argued that a post-injury arbitration agreement is part of the seaman's employment contract and therefore the arbitration clause is invalid under section 2 of the FAA, which excludes from enforcement seamen's employment contracts.

This argument has been universally rejected. The Courts have held that post-injury settlement agreements with seafarers are not contracts of employment for seamen, but rather they are voluntary agreements to submit any claims arising out of or related to the seafarer's alleged injury to arbitration instead of litigation. *See Endriss v. Eklof Marine*, 1999 AMC 556, 1998 U.S. Dist. Lexis 23231 (S.D.N.Y. 1998); *Terrebonne v K-Sea Transp. Corp.*, 477 F3d 271, 278-280 (5th Cir. 2007); *Barbieri v. K-Sea Transp. Corp.*, 2007 AMC 339 (E.D.N.Y. 2006). *Schreiber v. K-Sea Transp. Corp.*, 9 N.Y.3d 331, 879 N.E.2d 733, 849 N.Y.S.2d 194 (2007).

Must the shipowner prove the validity of the arbitration agreement? Seafarers have been deemed to be "wards of the admiralty" requiring special protection from the Courts. If the agreement is a Release, under the Supreme Court decision in *Garrett v. Moore McCormack*, 317 U.S. 239 (1942), the shipowner has the burden to prove that the release was "executed freely, without deception or coercion, and that it was made by the seaman with full understanding of his rights." *Id.* at 241. This "ward of the admiralty" argument has been made urging the Court that the shipowner should also bear the burden of proof to show that the arbitration agreement is valid and not tainted by fraud, duress or unconscionability. However, the *Barbieri* Court disagreed finding that the availability of arbitration does not act as a release, but only expands the avenues of redress open to the "ward of the admiralty." *See, Garrett v. Moore-McCormack* generally.

Post-injury arbitration agreements should not be worded so as to take away elements of the seaman's recovery. To the extent the arbitration agreement releases any of the seaman's rights of recovery (such as maintenance, unearned wages, lost wages or pain and suffering), it may be deemed to be a release which could be invalidated under *Garrett v. Moore-McCormack*.

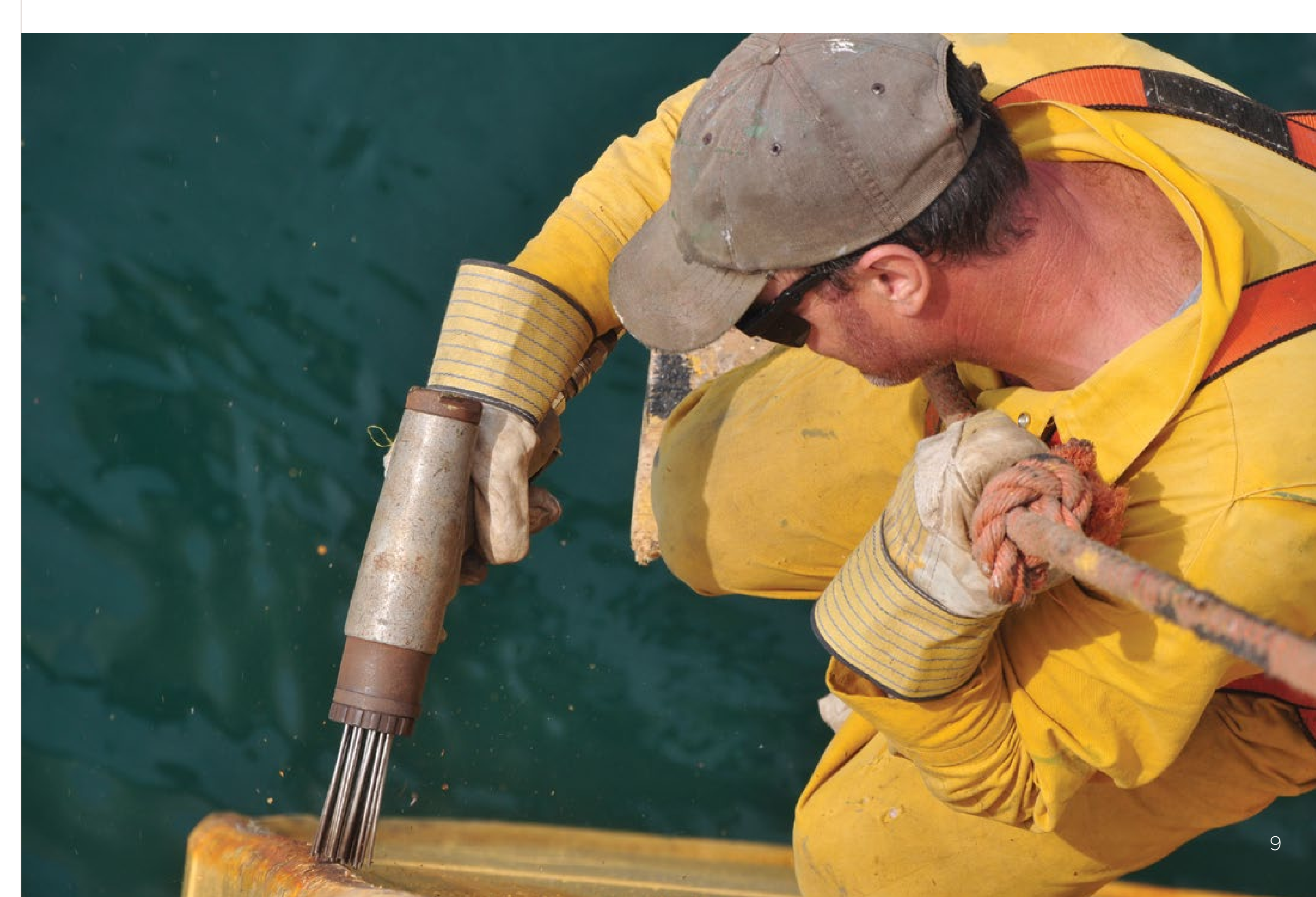
Can the Agreement specify the location of the arbitration? Under the Federal Employer Liability Act (FELA), applicable to Jones Act seamen, an employer cannot restrict the venue where a seaman can bring a lawsuit. *Boyd v. Grand T. W. R. Co.*, 338 U.S. 263, 70 S. Ct. 26, 94 L. Ed. 55 (1949). The Second Circuit held that *Boyd* does not preclude those post-injury arbitration agreements, which contain no restriction on the location of the arbitration. *Harrington v. Atlantic Sounding Co., Inc.*, 602 F.3d 113, 126 (2d Cir. 2010).

What agreements as to location are permitted? It is doubtful that an agreement with a U.S. seaman to arbitrate in a foreign forum will be upheld. An arbitration agreement which bound the seaman to arbitrate in Bermuda could be enforced, but the seaman could not be forced to arbitrate in Bermuda. *Dumitru v. Princess Cruise Lines, Ltd.*, 732 F. Supp. 2d 328, 345 (S.D.N.Y. 2010). *Dumitru* suggests that the location of the arbitration can be enforced, so long as it gives the seaman the option to arbitrate in the locations provided by FELA: "in the district of the residence of the defendant, or in which the cause of action arose, or in which the defendant shall be doing business at the time of commencing such action." 45 U.S.C. § 56; *Dumitru supra*, 732 F. Supp. 2d at 344.

Harrington and Dumitru suggest that any agreement that restricts the right of the seaman to arbitrate in only one particular venue may not be valid. Fortunately, *Dumitru* rescued the arbitration by obtaining an agreement from counsel to arbitrate in one of three permissible locations chosen by the seaman. The Court found the provisions of the agreement severable, such that the voiding of the location did not void the whole agreement.

The *Dumitru* decision could have gone the other way and the agreement invalidated. This ruling suggests a drafting pointer: include a provision in the agreement that if any of the provisions are held invalid by the Court, the remaining portions of the agreement shall remain enforceable.

Post-injury arbitration agreements are becoming more prevalent as an effective way to avoid jury trials. Considering the controlling case law cited above is essential to ensure that such agreements are enforceable.



A NEW RULING ON CHARTERERS' RESPONSIBILITY FOR THEIR AGENTS THE "GLOBAL SANTOSH"

FD&D CORNER

by: Muge Anber-Kontakis
Vice President, FD&D Manager
Shipowners Claims Bureau, Inc.
New York, NY, USA

On May 11th, 2016 the UK Supreme Court handed down its much anticipated judgment in NYK Bulkship (Atlantic) NV v Cargill International SA. ("The Global Santosh") [2016] UKSC 20 (overturning the Court of Appeal [2014] EWCA Civ 403).

This case turned on the interpretation of a standard offhire charterparty provision. An additional clause 49 of the NYPE charterparty provided that the vessel would be off-hire during any period of detention or arrest by any authority or legal process, unless the detention or arrest was *"occasioned by any personal act or omission or default of the Charterers or their agents."* The argument turned on the extent of a party's responsibility under a contract for the acts of a third party who vicariously performs some aspect of the party's contractual obligations or to whom performance of the obligation has been delegated by the creation and operation of a series of sub-contracts.

BACKGROUND

NYK Bulkship ("NYK") chartered the "Global Santosh" to Cargill International ("Cargill") for a one time charter trip ("the charter"). Cargill sub-chartered the vessel to Sigma Shipping ("Sigma"). The vessel carried a cargo of cement from Slite, Sweden to Port Harcourt, Nigeria, pursuant to a contract of sale between Transclear SA ("Transclear") (as sellers) and IBG Investment Ltd. ("IBG"), which had the ultimate obligation to discharge the cargo. Transclear had probably sub-chartered the vessel, but whether this was from Sigma or by a more indirect link was not clear.

Under the sale contract, IBG was to pay demurrage to Transclear in the event of delay in discharge beyond the agreed laytime in the contract. If that demurrage was unpaid, Transclear was purportedly granted a lien over the cargo.

The vessel arrived at Port Harcourt on October 15th, 2008 and tendered notice of readiness. She was instructed to remain at anchorage because of port congestion (caused, at least in part, by the breakdown of IBG's off-loader). She proceeded to berth on December 18th, 2008, but was ordered back to anchorage and arrested on the basis of a Nigerian court order arising from a claim by Transclear to secure a demurrage claim against IBG. This was a mistake, because the order should have directed the arrest of the cargo, not the vessel. Following agreement between Transclear and IBG, the vessel began discharging on January 15th, 2009 and completed discharge on January 26th, 2009.

Cargill withheld hire for the period of the arrest relying on clause 49.

LEGAL PROCEEDINGS AND SUPREME COURT'S JUDGMENT

The dispute was referred to London Arbitration. By a majority the arbitrators found that the proviso in clause 49 did not apply during the period of the arrest.

On appeal, the Commercial Court allowed the appeal, holding that IBG's failure to discharge within the laydays under its contract of sale with Transclear and to pay demurrage were omissions in the course of discharging. The Court remitted a question of causation back to the arbitrators.

The Court of Appeal then dismissed the appeal on the basis that the delay to the vessel fell within the charterer's *"sphere of responsibility"*. Cargill appealed to the Supreme Court.

The Supreme Court, by a majority of four to one, allowed Cargill's appeal and reversed the decision of the Court of Appeal. The vessel was off-hire throughout the period of an arrest by a sub-contractor aimed at securing a claim against its counterparty under a sale contract because the *"carve-out"* proviso in clause 49 in owners' favor was not engaged.

The majority considered that if a ship is sub-let under a charter, the charter operates as a contract under which rights are enjoyed and obligations performed vicariously. The term *"agents"* is not used in a strict legal sense, but to refer to persons or subcontractors to whom the charterers' rights are made available further down the chain, or who satisfy the time charterers' obligations that have been delegated to them.

Not everything that a subcontractor does can be regarded as the exercise of a right or the performance of an obligation under a time charter. For the purposes of clause 49, there must be a sufficient connection between the arrest and the function which Transclear or IBG were performing as "agent" of Cargill.

In finding that the arrest was not *"occasioned by any personal act or omission or default of the Charterers or their agents"* the majority found that:

- Cargill was only responsible for IBG's acts or omissions in the actual performance of cargo handling operations while they were in progress. Cargill had no obligation to procure discharge at any particular time, and no contractual interest in the timing of the operation. In failing to carry out cargo handling operations between October 15th, 2008 and January 15th, 2009, IBG was not vicariously exercising Cargill's rights, nor was it vicariously breaching Cargill's obligations under the charter.
- The arrest was not occasioned by a vicarious exercise of any right made available to Cargill under the time charter. Court of Appeal had wrongly approached the matter by asking in whose *"sphere of responsibility"* the matters occasioning the arrest lay. The only sense in which the arrest was occasioned by Cargill's trading arrangements concerning the vessel was that Cargill's sub-charter to Sigma enabled Transclear and IBG to become involved further down the chain, and it was their dispute that caused the arrest. There was not, therefore, a sufficient connection between the acts leading to the arrest and the performance of functions under the charter.

Lord Clarke, dissenting, would have held that the vessel was on hire during the period of the arrest. He considered that the agency extended to the operation of the vessel from the giving of the notice of readiness (or perhaps earlier) until the completion of discharge. An arrest during the period during which she was waiting to discharge is the same as an arrest in the course of the discharging operations. The arrest had nothing to do with NYK, but was linked to Cargill's discharge functions delegated to Transclear and IBG. The absence of cargo handling operations was defective performance.

Lord Clarke considered that this was commercially sensible, because the parties knew that demurrage might be incurred down the line; it was common ground that the vessel was not off hire by reason of IBG's earlier failure to provide a working off-loader, and the owners had no control over Cargill's delegation to Transclear and IBG.

The Supreme Court's decision moves away from owners' and charterers' spheres of responsibility approach adopted by the Court of Appeal and narrows the concept of agents. While the decision will be welcomed by charterers who had previously faced the uncertain prospect of having to pay hire if a vessel was arrested by anyone on what the Court of Appeal had referred to as *"their side of the line"*, Owners will naturally be concerned that they may not receive hire if their vessel is arrested for reasons which have nothing to do with them. Hence the Global Santosh decision would likely give rise to a new, wider, charterparty carve-out of offhire provisions.

EARLY TERMINATION OF TIME CHARTER THE "NEW FLAMENCO"

by:
Richard Johnson-Brown, Associate
Holman Fenwick Willan International LLP
Piraeus, Greece

In the instances where Charterers terminate charterparties prematurely, Owners are expected to take all reasonable steps to mitigate and try to *"claw back"* their losses. The recent English Court of Appeal case, the *New Flamenco* [2015] EWCA Civ 1299 confirms the rule on the measure of damages where there is no *"available market"* for the vessel at the date of termination. It also contains a helpful guidance on the principles of mitigation of damages and avoided loss, in particular where Owners have derived a benefit by *"clawing back"* their losses resulting from early termination.

BACKGROUND

In the *New Flamenco*, Owners time chartered their small cruise ship to Charterers on a long-term time charter in 2004. The earliest redelivery date was in November 2009. In October 2007, Charterers gave notice of their intention to redeliver the vessel 2 years early. At the time of termination, there was no available market for a similar fixture. In the circumstances, Owners accepted Charterers' notice of redelivery as terminating the charter in breach of the charterparty's redelivery provisions. They promptly arranged sale of the vessel for US$23,765,000 shortly before she was formally redelivered by the Charterers.

LEGAL PROCEEDINGS

Following the sale of the vessel, Owners commenced arbitration in London against Charterers for their loss of earnings during the 2-year period from the date of termination until the earliest redelivery date (amounting to about US$7.6 million).

Selling the vessel turned out to be a smart move in retrospect. The global financial crisis started in 2008 and by November 2009 (i.e. when the vessel should have been redelivered under the charter), the value of the vessel was only US$7 million. In the circumstances, Owners earned about US$16 million more by selling the vessel immediately after termination in October 2007 than they would have earned if Charterers had redelivered the vessel in November 2009 as per the charter provisions. Hence, Charterers argued that credit should be given for the "benefit" obtained by the Owners in having the vessel redelivered early, i.e. the avoided fall in value of the vessel.

The sole arbitrator found that the sale of the vessel was reasonable mitigation of damage and held that the benefit that accrued to the Owners by such sale should be taken into account when assessing damages. On appeal to the High Court, Popplewell J reversed the arbitrator's decision. The Court of Appeal then overturned Popplewell J's decision and restored that of the arbitrator: i.e. that the sale of the vessel had to be taken into account when assessing damages.

The Court of Appeal emphasised that Owners sold the vessel in October 2007 as a direct result of the early termination and that the sale was a reasonable business decision in the circumstances. The Court held that the profit from the sale was a benefit arising from Owners' steps in mitigation which *should* be taken into account when assessing Owners' damages claim.

On that basis, the Court held that Owners had effectively clawed back any loss of earnings that they would have suffered as a result of the termination and were even in a better financial position than they would have been had the Charterers redelivered on the earliest redelivery date under the charter.

Consequently, Owners' claim for loss of earnings under the charter failed.

The Court commented that assessing whether a benefit results from a step in mitigation is a question of fact which requires an examination of all of the factual circumstances surrounding the termination and Owners' subsequent efforts to mitigate their losses.

A PRACTICAL GUIDE TO MITIGATION AND ASSESSING DAMAGES RESULTING FROM EARLY REDELIVERY

The *New Flamenco* is an unusual case given that Owners' losses were assessed over a period which coincided with the start of the global financial crisis and a significant fall in vessels' values. That said, this case re-affirms the following practical steps which should be taken when faced with early termination:

(a) Promptly check whether there is an available market for a substitute fixture. This will provide an indication of the level of damages that Owners may expect to recover. In any event, Owners will be expected to find alternative employment for the vessel. If they fail to do so, they risk not being able to recover losses which could have been avoided.

(b) If there is no available market, Owners should assess how much of their losses they "clawed back" in mitigation during the period from the date of termination until the earliest redelivery date before pursuing any claim for loss of earnings against Charterers. Their actual earnings during that period may not be immediately identifiable following termination (particularly in the case of termination of a long-term charter) but Owners' earnings following termination should be kept under review as this will affect the prospects of their claim against Charterers.

(c) Comparing Owners' actual earnings with their notional earnings under the charter (possibly with the assistance of a chartering brokering expert) before progressing a loss of earnings claim against Charterers may prevent costs being incurred in arbitration proceedings unnecessarily and may help form a strategy to reach a commercial resolution to Owners' loss of earnings claim.

E-MISSION CONTROL WE STILL HAVE A PROBLEM!

The second of a two-part series on emerging environmentally driven fuel issues

by: John Poulson
CEng, Principal Surveyor
AMA Inc.
New York, NY, USA

ECA's and continuing downward pressure on emissions from ships is environmentally desirable but it is creating some major headaches for Owners and their crews today. How did we get here and what does the future hold for marine fuels?

The Future?

As we discussed in the first part of this article, there's no going back - the future is here and there is not going to be any let-up in the quest for cleaner seas and the smaller carbon footprint. Indeed there is already some criticism being levelled at a perceived lack of adequate regulatory enforcement of the legislation already in place.

Indications from the IMO are that operators of commercial tonnage over 5K GRT may soon need to record and report their fuel consumption to the IMO, if an idea discussed at IMO's environmental committee meeting (MEPC 69) recently is given the final stamp of approval at its next meeting in October. This is moving us towards a whole new level of regulatory control and it remains to be seen if this can really be enforced.

Interestingly a major cruise line has recently ordered its newbuilding vessels to be equipped with scrubbers capable of rendering heavy fuel oil emissions compliant in ECA's - citing the economic advantage of running on HFO as not disappearing anytime soon.

In direct contrast, NGO's have called for a total ban on the use of HFO in environmentally sensitive areas.

Given these contrasting approaches, it seems appropriate to ask at this juncture, where in the world today is *not* an environmentally sensitive area when such delineation is becoming just as much a non-governmental determination.

What are the Alternatives?

Looking past the current era of threatened HFO domination, the *simplest* fallback could be the use of low-sulphur distillate fractions of marine diesel oil or gas-oil. This option requires the minimum initial equipment cost outlay and effort to change over but presently would represent a really significant increase in unit fuel costs, something the industry cannot possibly absorb except perhaps in the short-sea trade entirely with the ECA's.

Biodiesel

Vegetable oils and their derivatives, especially methyl ester, a type of fatty acid, are commonly referred to as 'biodiesel' and are alternative diesel fuels. They have moved on from being purely experimental fuels to initial stages of commercialization. They are technically competitive with or offer technical advantages compared to conventional diesel fuel.

Besides being a renewable and domestic resource, biodiesel reduces most emissions while engine performance and fuel economy are nearly identical compared to conventional fuels. Several problems, however, remain, which include economics, combustion, some emissions, lube oil contamination, and low-temperature properties.

Rudolf Diesel, inventor of the compression ignition engine reportedly used peanut oil as a fuel for demonstration purposes in 1900. Some other work was carried out on the use of vegetable oils in diesel engines in the 1930's and 1940's. The fuel and energy crises of the late 1970's and early 1980's as well as concerns about the depletion of the world's non-renewable resources provided the incentives to seek alternatives to conventional, petroleum-based fuels.

Numerous different vegetable oils have been tested as biodiesel. Often the vegetable oils investigated for their suitability as biodiesel are those which occur abundantly in the country of testing. Soybean oil for example is of primary interest as a biodiesel source in the United States while many European countries are concerned with rapeseed oil, and countries with tropical climate prefer to utilize coconut oil or palm oil. Other vegetable oils, including sunflower, safflower, etc., have also been investigated.

Several problems, however, have impaired the widespread use of biodiesel. They are related to the economics and properties of biodiesel. For example, neat vegetable oils are reported to cause engine deposits. Attempting to solve these problems by using methyl esters causes operational problems at low temperatures. Furthermore, problems related to combustion and emissions remain to be solved. The problems associated with the use of biodiesel are thus very complex and no satisfactory solution has yet been achieved despite the efforts of many researchers around the world.

In any event, the sheer volume of fuel needed worldwide for shipping purposes will not see biodiesel become the main fuel for propulsion though it may well have a place as a specialized fuel in certain applications. Brazil for example has legislation in place that requires *all* diesel fuel for commercial consumption to have a minimum 7% biodiesel content.

Whilst not a petroleum based fuel biodiesel in its various guises is not however, a particularly *clean* fuel and a lot of research is still needed to make it a viable fuel available for consumption in any large quantities.

Nuclear Power

The concept of zero-emission nuclear powered merchant vessels has historically not enjoyed any realized success because of negativity over perceived public safety and environmental concerns about regulation of numerous floating nuclear plants, especially in commercial ports.

The Fukushima incident was an immense setback for the nuclear power industry and it has left the latest indelible mark on the world's psyche when it comes to nuclear power. The knock-on effect on just the potential of nuclear merchant vessels is even more damning.

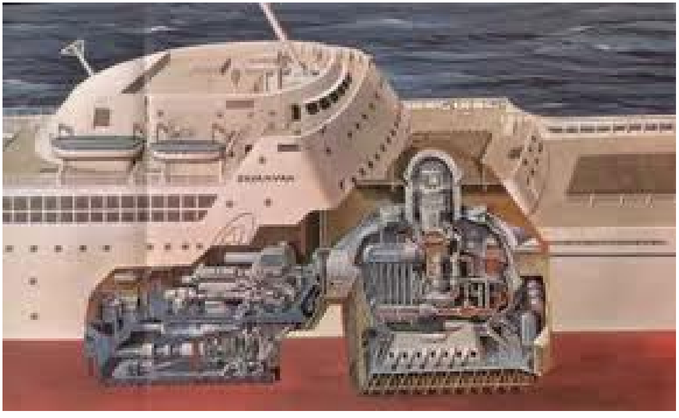
At least everyone knows where land based nuclear reactors are; imagine a few thousand floating reactors out there - some coming to a port near you!

Any rekindling of interest in such vessels would require a training regime for the operating engineers that would need to be constructed and approved by world nuclear regulatory bodies - assuming the personnel could be sourced. Ports for such vessels would undoubtedly need to be sufficiently remote from built-up areas to satisfy appropriate regulations, a less onerous requirement but all aspects would require individual national government approval, something which was previously unobtainable and likely now to be less so.

Several studies were carried out on the effects of collisions and groundings etc., on such vessels - e.g. *Gianotti & Buck* commissioned by the USCG to produce their 1979 study *Critical Evaluation of Low Energy Ship Collision Damage Theories and Design Methodologies*, which whilst producing sound risk evaluation have been insufficient to overcome the obstacles in way of commercial nuclear propulsion.

The U.S. flagged vessel SAVANNAH which the writer has had the opportunity to visit remains commissioned but in lay-up at Baltimore in the United States with very little reactive material on board.

continued from page 15



N/S SAVANNAH

[By N/S SAVANNAH Association]

A consortium of Lloyds Register, the small nuclear reactor developer 'Hyperion Power Generation', Naval Architect 'BMT Nigel Gee', and shipowner 'Enterprises Shipping and Trading' launched a research programme to investigate nuclear-powered commercial ships in October 2010. The programme followed a two-year study by Lloyd's Register of Shipping (LRS) which concluded that it should proceed with development of rules for marine nuclear power plants.

Russian nuclear-powered ice-breakers have been successfully operating in the Arctic for many years and given the interest in developing commercial Arctic routes, this is one area where zero-emission nuclear vessels could well prevail.

Overall, it is considered to be presently inconceivable that the nuclear powered merchant vessel could be established as an acceptable option, other than in certain niche areas such as the Arctic. The Fukushima incident seriously affected the worth of nuclear power in the public eye generally, but that aside, basic construction costs together with personnel training and manning costs against a background of markedly upwardly revised worldwide estimates of natural gas reserves have at best put its future as a marine power plant around most of the world - on hold.

LNG

Ultimately it seems inevitable that liquid natural gas (LNG) will have a huge role to play. The impressive combination of environmental benefits and presently low costs has meant it has emerged as the forerunner in the race to meet emission regulations. Its use is complicated by the need for safe storage in sufficient quantities for long haul voyages and the need for considerable conversion of existing plant needed to operate on gas. But an industry with the ability, as always, to adapt and evolve its technology, presently indicates that natural gas will be the fuel of the future.

Technology for the safe storage of LNG on board ships in quantities sufficient for worldwide trading is still being fully developed and initial build costs will be high, so economics, as the usual counterbalance to progress will ensure that heavy fuel oil remains as a viable fuel for some time to come. The recent huge drop in oil prices has also taken away some momentum towards the LNG option.

However, the low cost of LNG still makes it an extremely attractive solution – particularly given indications that there are vast supplies on virtually every continent, with particularly large supplies in the Middle East, USA, Russia and Australia. Prices for LNG may rise but it should still be more economical than HFO plant with the necessary scrubber technology fitted or retro-fitted and crucially be a simple acceptable single fuel for a vessel.

One of the biggest obstacles for use of LNG as a fuel is bunkering infrastructure - or rather the lack thereof. However, with Norway having paved the way, others are following suit. The port of Stockholm has seen successful ship to ship bunkering and Antwerp, which has bunkered an LNG-powered barge by truck is constructing an LNG bunkering vessel.

The longstanding concerns of safety when bunkering with LNG, make appropriate risk assessment particularly important when building infrastructure. Whilst classification societies are working to put together guidance, there are many consultant companies that have made themselves available to ports to analyze their safety measures.

LNG appears to have a bright future as a marine fuel but may not be the Nirvana that many think it will automatically be. Not all LNG is the same; its quality depends largely upon its methane content and it will be necessary to set a standard for LNG as for other fuels. It is critical that the results of engine builder's research and development of existing dual-fuel engines and recommendations arising are fully adopted by operators.

Principally though it is vital that if we are to embrace LNG as the fuel of the future generations it must, above all else, be *safe*. Efforts to move ahead are commendable as are the collective concerns for the environment but one significant accident, shipboard or shore-side could spell disaster for the many investing heavily in its future as the marine fuel of the future.

The End?

The price of oil, the perpetuated boom & bust nature of the economics of shipping, constantly evolving environmental legislation, all contribute to what has become the norm - an uncertain future; but the writing does seem to be on the wall for HFO - most importantly in the legislature - and many have already grasped the nettle and gone the LNG route.

But who knows, perhaps that's the answer; fuel derived from nettles *is* the future?

OIL POLLUTION FINES IN AUSTRALIA

THE CORRESPONDENTS' CORNER

by:
Joe Hurley | Chris Sacré
Partner | Senior Associate
HWL Ebsworth Lawyers
Sydney, Australia

Environmental issues are always high on the political agenda in Australia with the Great Barrier Reef being a particular national treasure. With this comes maritime legislation to prevent, deter and punish marine polluters. International shipowners operating in Australian waters will do well to understand the risks of commercial delay and significant penalties arising from any pollution breach however slight.

Commonwealth laws will apply in Australia's Exclusive Economic Zone, which extends 200 nautical miles from the coastline. However, within 3 nautical miles of the coastline, state and territory laws apply. It is important to determine which laws apply to a particular oil pollution incident; the different state and Commonwealth laws have widely diverging maximum fines for owners guilty of strict liability oil pollution offences from $250,000 in Western Australia up to $11,780,000 in Queensland and $18,000,000 for pollution incidents beyond 3 nautical miles of the coastline.

The State and Commonwealth pollution laws largely conform with the current MARPOL Annexes. They provide for the strict liability of the Master and Owners of a polluting vessel with the Commonwealth Act adding a strict liability offence for Charterers also. There are also fault based offences for other parties who actively cause pollution incidents.

In late 2014 the commencement of the Marine Pollution Act 2012(NSW) brought New South Wales marine pollution law into line with Annexes III, IV and V of the MARPOL Convention with the introduction of new offences for pollution by harmful substances in packaged form, garbage and sewage.

The Australian Maritime Safety Authority (AMSA) take pollution offences very seriously in the application of their Port State Control powers and in response to any incident. For example in 2013 we assisted a ship owner and managers with the detention of a bulk carrier by AMSA following a (very minor) alleged pollution incident. Security was demanded in the amount of $20.3 million. The security demand was later withdrawn and the vessel released without fine but the associated commercial delay was costly for owners.

A review of some recent decisions of the New South Wales Land and Environment Court may assist in bringing some context to the risks faced by Owners.

MS MAGDALENE [1]

In August 2010 the *MS Magdalene* spilled 72,000 lts of oily water into the Hunter River. The cause of the spill was a 15 mm corrosion hole in the internal transverse bulkhead which separated the ballast tank from the heavy fuel oil tank. This allowed heavy fuel oil to be pumped out during deballasting. At trial no negligence was found on the part of Owners or the Master but the short term environmental affects on the Hunter Wetlands National Park were significant.

Sheahan J concluded that the spill which, after the *Laura D'Amato* 1999, was the second largest spill in NSW, was about 20% of the theoretical "worst case". He then applied a 25% discount on account of Owners' early guilty plea and discounted further by reason of the Owners' cooperation, remorse and early payment of $1.7 million of clean up costs. Owners were fined **$1.2 million.**

BRAGE R [2]

In May 2013 the barge *Brage R* discharged 200 lts of diesel fuel oil into Newcastle harbour. The cause of the spill was the Chief Engineer forgetting that an internal fuel transfer was ongoing and leaving the barge, along with the rest of the crew, for dinner ashore. The diesel fuel oil mostly evaporated or dispersed so there was no environmental damage.

Sheahan J graded the spill *"at the lower end of any scale of objective seriousness"* and concluded that it was 2.5% of the "worst case". He then discounted 25% on account of the Owners' early guilty plea, described the offence as one of relatively low criminality but relatively high culpability, and applied a total discount of 40%. That left Owners with a fine of **$150,000**.

WATO [3]

In January 2014 the tug Wato discharged 8,000 lts of diesel fuel oil into Newcastle Harbour. The cause of the spill was Chief Engineer forgetting to stop an internal fuel transfer before leaving the tup for the night. The diesel evaporated and dispersed over a period of days, clean up costs of approximately $66,000 were paid promptly by Owners and the Port Authority accepted that there was no ongoing environmental damage.

Moore AJ graded the spill *"at the upper end of the least worst offences"* but did not adopt the approach of Sheahan J in the cases described above. He did not assess the spill by percentage of worst case but instead undertook an "instinctive synthesis process" in which he took into account the extent of the spill, environmental impact, degree of fault and other considerations such as remorse, contrition and cooperation. Moore AJ then applied a 25% discount for the early guilty plea to arrive at fines of **$600,000** for the owners and **$81,000** for the engineer.

Case	Date	MPA1987 Offence	Spill	Clean up costs	Owners Penalty	Percentage of max penalty
Laura D'Amato	3 August 1999	s27(1)	294,000 lt (light crude oil)	$3.5 million	$510,000, (and CO - $110,000)	46% of $1.1 million
MS Magdalene	25 August 2010	s8(1)	72,000lt (heavy fuel oil)	$1.9 million	$1.2 million	12% of $10 million
Brage R	3 May 2011	s8(1)	200lt (diesel fuel oil)	$18,000	$150,000	1.5% of $10 million
Wato	6 January 2014	s8(1) and s8A	8,000lt (diesel fuel oil)	$66,000	$600,000 (and CE - $81,000)	6% of $10 million

The above recent cases serve as a useful reminder of the need for a prompt and considered response to pollution incidents, not just by physically mitigating loss and improving safety and systems but by also responding to and handling the investigation and prosecution with a view to achieving the maximum discount on sentencing or avoiding prosecution altogether.

1 *Newcastle Port Corporation v MS Magdalene Schiffahrtsgesellschaft MBH; Newcastle Port Corporation v Vazhenko* [2013] NSWLEC 210

2 *Newcastle Port Corporation v RN Dredging BV* [2013] NSWLEC 217

3 *Newcastle Port Corporation trading as Port Authority of NSW v Dudgeon; Newcastle Port Corporation trading as Port Authority of NSW v Svitzer Australia Pty Ltd* [2015] NSWLEC 139

American Hellenic Hull

by: Ilias Tsakiris
Managing Director
Hellenic Hull Management (HMA)
As managers of American Hellenic Hull Insurance Company Ltd.
Limassol, Cyprus

American Hellenic Hull has the strengths necessary for an era of tough competition in marine insurance markets.

The Eastern Mediterranean is often cited as the cradle of civilization as well as a region that has innovated in and depended on maritime trade since the early days of human history.

It is a region to which the newly-formed American Hellenic Hull Insurance Company is happy to look for its origins as well as its key strengths.

Founded in Cyprus through an alliance between the American P&I Club and Hellenic Hull Management, American Hellenic Hull has already established compliance with the rigorous financial and operational standards of the EU's Solvency II Directive. We gained our license from the Cyprus regulator and the company has commenced operations worldwide as a fixed premium hull & machinery underwriter.

American Hellenic Hull is not a startup. We begin with 600 vessels covered, and the company is a continuation of the service heritage of the Hellenic Hull Mutual, calling on the 20-year experience and expertise of the same managers. At heart, therefore, American Hellenic Hull marks the evolution of a successful local underwriter in Cyprus and Greece to a global insurer ready to insure a wide range of risks.

It would be natural to ask why we are confident of establishing a significant place for ourselves in the global hull & machinery insurance market. One obvious answer to this is that we naturally hope to leverage the existing global footprint of the company's parent, the American Club. Looking deeper at the management and strategy of the new company, though, there are a number of traits that we believe will be instrumental in the global success of American Hellenic Hull in years to come.

First, Hellenic Hull Management has, during its two decades of existence, amassed enviable experience as a marine underwriter. We have already underwritten more than 10,000 vessels, from brown-water barges to the largest ocean-going vessels such as very large crude carriers.

We also begin with a wide-flung network of cherished shipping industry and insurance industry relationships that have been tested over time. We have worked alongside 400 shipping houses, 150 insurance brokers, 56 reinsurers, and a number of national and trade chambers and associations. As a team we are also well-known to at least 60 different shipping banks.

It is not just the scope of our experience, but also the depth of it, that we believe bode well for the future of American Hellenic Hull.

Our past record as the managers of an innovative marine hull mutual insurer with a primary focus on the Greek shipping community has given us a wealth of insights into the real needs of shipowners and the realities of shipping operations. Moreover, our successful management of the Hellenic Hull Mutual coincided with a period of extraordinary volatility in financial markets as well as the local banking system in Cyprus. Our team is used to steering through rough seas!

Altogether we have insured $32 billion dollars in 20 years and handled 1,250 claims cases in 45 countries. We look forward to applying this sophistication globally, for the benefit of a worldwide clientele.

What are the special qualities of the Hellenic Hull Management team that equip us for success in today's fiercely competitive markets?

Top people in the management team, including myself, are former seafarers and our love for shipping is deeply-grounded. This is a big differential with most commercial underwriters and is one of the factors behind our technical underwriting skills. At a time when interest rates are so low and financial markets are so unpredictable, strong industry knowledge and underwriting skills are the key to a healthy marine insurance business.

With new risks in the market such as cyber security and the possibility of giant container vessel casualties, technical knowledge and profound risk analysis are more than ever prerequisites to ensure the viability of marine insurers and quality cover for the insured.

AMERICAN HELLENIC HULL

American Hellenic Hull is a privately-owned marine insurance company, which covers primarily Hull and Machinery risks. It is 100% owned and financially backed by the American P&I Club and exclusively managed by the Hellenic Hull Management. The company is registered in Cyprus and operates via its Managers from New York, Houston, London, Shanghai, Hong Kong and Piraeus. Its operations commenced on July 1, 2016.

Product and Services

AHHIC offers hull insurance terms according to all customary conditions, such as ITC, AIHC, DTV/ ADS, Nordic Plan etc. Conditions provided by AHHIC cover Salvage, General Average, Sue & Labor expenses, War, War P&I, I.V., Disbursements and certain liabilities.

Solvency II

American Hellenic Hull is the first marine insurance company licensed in Cyprus under the Solvency II regime's requirements. American Hellenic Hull has successfully passed all required SCR and additional Stress Tests (beyond requirements).

Rating

According to the Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS), unrated counterparties under supervision equivalent to Solvency II which meet the local capital requirements that are equivalent to the SCR can be treated as if having a BBB rating. American Hellenic Hull's share capital is 2.15 times above its calculated SCR!

THE AMERICAN CLUB ANNUAL GENERAL MEETING & DINNER
JUNE 2016 - NEW YORK, NY, US

The 2016 American Club's Annual Dinner was hosted by its Board of Directors the day after the Annual General Meeting on June 23, 2016 in New York City at the Rainbow Room. The event was well attended by Members, brokers, correspondents and industry leaders from around the world.

Arnold Witte, *Chairman of the Board, The American Club,* addresses the guests

EAGLE OCEAN MARINE - LOSS PREVENTION SEMINAR
JANUARY 2016 - MANILA, PHILIPPINES

On January 9, 2016 an Eagle Ocean Marine (EOM) seminar was held for the PSACC seagoing and shore based staff onboard the *MV SPAN ASIA 25* at the anchorage off North Harbour in Manila. The seminar was presented by John Wilson, Director of Technical Services for Eagle Ocean Marine.

The seminar kicked off with a presentation and discussion about container ship operations including loading, stowage and stability. After a nice lunch, the afternoon session focused on navigation and passage planning. The seminar was organized with the assistance of Jordan Go, President of PSACC, who was keen for the shore and seagoing staff to attend the seminar and be able to engage on the various issues that can impact on the ship operations.

28 people were in attendance, including Jonathan Go (V.P.-Operations), Jerome Go (V.P.-Engineering) and Gilbert Go (V.P.-Container Yard Operations), along with some of their department colleagues. Officers from several PSACC vessels also attended, including the present Master and 3rd Officer from the *MV SPAN ASIA 25*, the Fleet Manager and Superintendent for the *MV SPAN ASIA 25*, Johnny Rodriguez, the previous Master of the vessel, as well as the company DPA and Safety Manager of the Company.

The interactive seminar was met with excitement by all in attendance and we look forward to welcoming everyone again in the future.

AMERICAN CLUB'S POSIDONIA PARTY
JUNE 2016 - ATHENS, GREECE

Posidonia 2016 started off in style with the American P&I Club's traditional celebratory reception. Guests exceeded 4,000 and top names in Shipping joined the Club to celebrate its growth across all product lines and the creation of American Hellenic Hull Insurance Company Ltd, its newly licensed global H&M insurance provider. The Greek and greater regional shipping community showed their solid support for the Club and shared the enthusiasm for the Club's latest activities.

NEW GULF COAST OFFICE OPENS IN HOUSTON
JULY 2016 - HOUSTON, TX, USA

The Club's Managers' recent opening in Houston attracted about 100 prominent members of the Gulf Coast maritime community, all of whom expressed overwhelming enthusiasm with the Club's commitment to the region in the Americas, now enhanced through this office and led by Jana Byron, making it the only IG Club with a local physical presence in this leading maritime center for the Gulf.

Through this office the Club aims to continue its long-standing tradition of actively participating in regional maritime markets, making itself available to all and becoming an integral part of the shipping communities it lives in.

"IN THE SPOTLIGHT"

3rd International Forum on Shipping Marketing and Management (IFOSMA)

March 2016 – MV CELESTYAL OLYMPIA, Piraeus, Greece

Dorothea Ioannou with distinguished panelists from the Greek Shipping market shared experience in talent management and discussed how to systematically identify, attract and develop talent in Shipping.

4th Maritime Trends Conference "Trends in Crew Management"

May 2016 – Athens, Greece

Joanna Koukouli made a presentation on the P&I Club perspective on Loss Prevention in crew management and gave a brief review of the history of the American Club's PEME program.

WISTA - CASA Asia "Emerging Trends in Shipping & Logistics - Asia Connects"

May 2016 – Colombo, Sri Lanka

Katherine Wang of our Shanghai office gave a presentation on the unique world of P&I and its bonds with Asia. The conference was hosted by WISTA Sri Lanka and WISTA International.

21st AGM of WISTA Hellas and new Board of Directors

April 2016 – Athens, Greece

Maria Mavroudi was elected to the new Board of Directors of WISTA Hellas in the position of Secretary General. The American Club continues to actively support WISTA. Congratulations to Maria on her new role.

23rd Annual International Hall of Fame

May 2016 – New York, USA

Joe Hughes was the Master of Ceremonies to the event which was established to recognize maritime visionaries, who best exemplify the qualities of futuristic thinking that guide the maritime industry.

Lloyd's List North American Maritime Awards 2016

May 2016 – New York, USA

The American P&I Club won the highly prestigious Maritime Services Award (General). This distinction is a great recognition of the Club's commitment to offer high quality, gold standard service to its members around the globe.

"IN THE SPOTLIGHT"

New BoD for the Piraeus Marine Club

June 2016 – Piraeus, Greece

A new Board of Directors consisting of 9 members was elected for a 3-year term to manage the Piraeus Marine Club. Congratulations to Dorothea Ioannou and Ilias Tsakiris for being elected to the Board.

Shanghai Sevens 2016

June 2016 - Shanghai, People's Republic of China

The American Club sponsored the Northern Hemisphere social men's team. For the history, the Northern Hemisphere team beat the Southern Hemisphere team, which was sponsored by BBC Chartering, to win the Social Cup.

Posidonia 2016: Trading in US waters – Ensuring a culture of environmental compliance

June 2016 – Athens, Greece

Joe Hughes gave a speech in his capacity as the incoming chairman of NAMEPA and took part in a vibrant dialogue about the US regulations affecting all vessels trading in and out of U.S. ports.

39th Annual Silver Bell's Maritime Forum

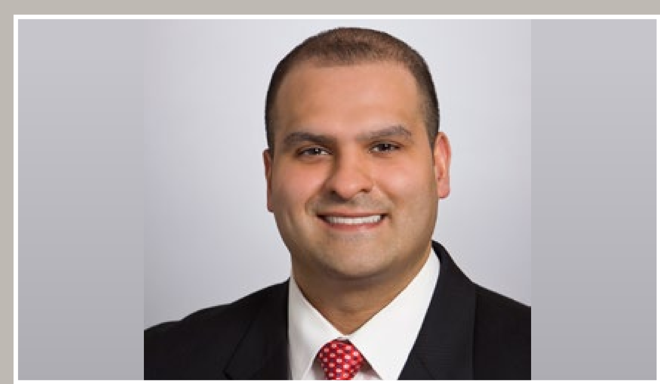
June 2016 - New York, USA

Dr William Moore spoke on the subject of the impact of and ways of increasing the awareness of managing and controlling fatigue for seafarers.

2nd ELSA Summer Law School on Maritime Law "Insurance Law and Piracy Issues"

July 2016 – Athens, Greece

Dorothea Ioannou lectured on topics of Protection and Indemnity cover and Piracy Prevention, giving the P&I perspective.



IT Sub-Committee of the IG P&I

May 2016 - New York, USA

Manny Beri was elected next chairman of the International Group's IT Sub-Committee. Congratulations to Manny on his appointment.

“IN THE SPOTLIGHT”

Joe Hughes takes the reins at NAMEPA

July 2016 – New York, USA

With effect from July 1, 2016, the chairmanship of NAMEPA (North American Marine Environment Protection Association) passed from founder Clay Maitland to the CEO of the American Club, Joe Hughes.

Incoming chairman, Joe Hughes stated "Everyone has a critical interest in preserving the health of the oceans of the world. NAMEPA will pursue its aim of harnessing the energy and resources of the maritime industries to promote sound environmental practices with continuing vigor in the future.”

Congratulations to Joe on his election and wishing him the best in his new role!

UPCOMING EVENTS

Lloyd’s List Global Awards 2016

September 2016 – London, UK

The American Club has been shortlisted for the Insurance Day Maritime Insurance Award category in the 2016 Lloyd’s List Global Awards. The award ceremony will be held on September 28, 2016 at at the National Maritime Museum in London.

Our fellow finalists are the Singapore War Risks Mutual, the Standard Club and the TT (Through Transport) Club.

We are all very proud of this significant recognition of the American Club's stellar service on a global level as a finalist for this prestigious international award.

Beach Clean-up in cooperation with HELMEPA

October 2016 – Kavouri beach, Vouliagmeni, Greece

“This summer let’s leave only our footprint on the sand.”

“IN THE PRESS”

nafsgreen
World shipping news

Top Stories | Sea World | Sea Tech | Green Sea | Subsea | Sea Scope | Sea Travel

The American Club Receives The Lloyd’s List North American Maritime Services Award

Written by NafsGreen Press Staff on 24 May 2016.

The American P&I Club has won the highly prestigious Lloyd's List North American Maritime Services Award for 2016.

The presentation of the award took place in New York in the evening of May 20th, 2016 in the presence of a large congregation of luminaries from the North American maritime community.

Arnold Witte, Chairman of the Board, was present to collect the award on the Club's behalf in front of an audience of prominent members from the North American maritime community.

A key criterion, in Lloyd's List own words, was that the winner should have gone "above and beyond best practice to offer the Shipping Industry something exceptional".

This distinction was bestowed on the Club by a 14-strong judging panel representing many sectors of the shipping industry and it's a great recognition of the commitment of the American Club to offer high quality, golden standard service to its members around the globe.

TradeWinds

Christodoulatos joins American Club

Ikaros Shipping boss becomes director of the New-York based P&I club.

Panagiotis Christodoulatos of Ikaros Shipping and Brokerage is the latest addition to American Club's board of directors.

The boss of the Athens-based dry bulk company was elected ...

Lloyd’s List
Maritime intelligence | informa

American Club expands business into Houston

Thursday 28 July 2016, 18:25 by Nora Zhou

The American Club's new office targets future growth across the US, Central and South America, and the Caribbean.

Club views Texan city as an attractive and active maritime cluster with new opportunities to be explored

THE American Club, the only US-based P&I club, opened up an office in Houston on July 27, its second one in the US.

An open house held on Wednesday afternoon attracted a crowd of around 100 people from local maritime businesses and some club members based in the Gulf region.

“Houston is a very natural choice when considering a second office,” American Club’s president and chief operating officer Vincent Solarino said at the open house. “It has an easy access to Central and South America and the Caribbean for future growth.” Around 10% of the current premium from membership in the US is from the Gulf region, Mr Solarino said.

Thomas Hamilton, senior vice-president in underwriting, said in an interview: "The provision of P&I insurance to the vessel operators in the Gulf region is very much related to the price of oil.

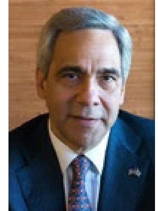
TradeWinds

Commercial Manager - London - LNG (Permanent

American Hellenic Hull venture finally gets approval

Need media? Get it here!

STEAMING AHEAD...



by: Vincent Solarino
President & COO
Shipowners Claims Bureau, Inc.
New York, NY, USA

- The Club opened the doors to its new office in Houston, Texas on July 27, 2016 with a market reception well attended by regional Club members, brokers, legal correspondents, and survey and industry service providers. The Club's top management team was present to welcome all on this momentous occasion supporting the importance of Houston as a major U.S. maritime cluster. The Houston office marks another step forward in fulfilling the Club's "Vision 2020" global business development strategic plan and further enhances service to its members and industry partners with a regional physical presence - a key element to any successful P&I Club's mission. The office is headed by Jana Byron, a U.S. qualified lawyer with expertise in P&I and FD&D claims matters. Jana will also participate in marketing the Club utilizing her many regional business contacts in coordination with Boriana Farrar, Business Development Director, North America, and Dorothea Ioannou, Global Business Development Director. The market has welcomed our new office with excitement and gratitude auguring well for successful results in business and relationships and providing Tom Hamilton, Head of Underwriting, and his team with critical regional business intelligence.

- Club managers, SCB, Inc., will be hosting a P&I market presentation in Houston during mid-November 2016. Topics will include the Club's International Group member participation and structure; basics of P&I cover and service; claims management and handling of routine and complex incidents; safety and loss prevention topics; underwriting coverage, policies and procedures, and rating considerations; financial and statistical analyses; financial counterparty strength and security; organizational structure; and affiliated subsidiaries and product lines.

- New Managing Director, Dimitris Seirinakis, has taken the helm in our Shanghai office. Dimitris is an English qualified solicitor with extensive maritime claims experience and will be supported by an enhanced, service oriented and qualified team of claims handling professionals. Market presentations are scheduled for Hong Kong and Shanghai mid-October 2016.

- The Club's Greece office is organizing a "Beach Clean-up" in cooperation with HELMEPA in October 2016.

- American Hellenic Hull Insurance Company, Ltd. ("AHHIC"), a foreign subsidiary of the Club, was issued its long-awaited license by the Cyprus insurance regulators on June 24, 2016 to operate as a marine hull and machinery insurance company - the first new Solvency II compliant insurance company to be licensed in Cyprus with a passport to the EU. A Grand Opening reception in Cyprus is being planned for later this year and early indication from market feedback promises to make this one of the top events of the year. The formation of AHHIC through a strategic investment in the legacy business of Hellenic Hull Mutual is a centerpiece of the Club's "Vision 2020" global business development initiative, along with the already established and successful Eagle Ocean Marine fixed premium P&I facility.

- The Club will be celebrating its Centennial year in early 2017. Plans for a Grand Celebration and Centennial book are already in progress as the Club continues "Steaming Ahead" with broader market reach and brand recognition, enhanced member service and satisfaction, and a diversified suite of insurance products.

Vince Solarino

AMERICAN STEAMSHIP OWNERS MUTUAL
PROTECTION & INDEMNITY ASSOCIATION, INC.

SHIPOWNERS CLAIMS BUREAU, INC., MANAGER

SHIPOWNERS CLAIMS BUREAU, INC.
One Battery Park Plaza, 31st Floor
New York, NY 10004 U.S.A.
TEL +1 212 847 4500
FAX +1 212 847 4599
EMAIL info@american-club.com
WEB www.american-club.com

SHIPOWNERS CLAIMS BUREAU, INC.
2100 West Loop South, Suite 1525
Houston, TX 77027 U.S.A.
TEL +1 346 223 9900
EMAIL jana.byron@american-club.com

SHIPOWNERS CLAIMS BUREAU (UK), LTD.
29-30 Cornhill
London EC3V 3ND U.K.
TEL +44 20 7709 1390
FAX +44 20 7709 1399
EMAIL claims@scb-uk.com

SHIPOWNERS CLAIMS BUREAU (HELLAS), INC.
51 Akti Miaouli – 4th Floor
Piraeus 185 36 Greece
TEL +30 210 429 4990 -1-2-3
FAX +30 210 429 4187 -8
EMAIL claims@scb-hellas.com

SCB MANAGEMENT CONSULTING (SHANGHAI) CO., LTD.
Room 1803 – Hongyi Plaza, 288 Jiujiang Road
Shanghai 200001 People's Republic of China
TEL +86 21 3366 5000
FAX +86 21 3366 6100
EMAIL claims@scbmcs.com

SCB MANAGEMENT CONSULTING SERVICES, LTD.
United Centre, 33rd Floor, 95 Queensway
Admiralty, Hong Kong, SAR People's Republic of China
TEL +852 3523 0580
FAX +852 3602 3111
EMAIL chris.hall@scbmcs.com