

# CURRENTS

Issue Number 43 - December 2019



**Dawn of a New Decade**

# CURRENTS

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### Monument of Discoveries in Lisbon port

Padrão dos Descobrimentos (Monument of the Discoveries) stands 170 Ft (52 m) tall. This stunning monument was designed to commemorate the Age of Discoveries in Portugal. It was inaugurated in 1960, on the fifth centenary of one of the country's great discoverers, Prince Henry the Navigator, who discovered the Azores, Madeira and Cape Verde. The tribute is located on the coast of Belém, near Lisbon and is also very close to other important sights like Belém Tower and Jerónimos Monastery. The Monument to the Discoveries is made up of a group of sculptures that represent the prow of a caravel (a small sailing ship constructed by the Portuguese to explore the Atlantic Ocean). Leading the ship is Prince Henry the Navigator and behind him are many other great Portuguese discoverers.

Page 5 image courtesy Christiana Vasilas.

# INTRODUCTION



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

Like most people, Americans enjoy celebrations. Indeed, anyone with only a passing familiarity with a US Super Bowl, Fourth of July party or political convention might think that Americans enjoy celebrations more than most. And, in addition to occasions of collective celebration, it is common, of course, to recognize the milestones we encounter in the development of our personal and business lives. As many who read this will be aware, the American Club has had reason to celebrate several such milestones in recent years.

The big one was its centennial in 2017. Much has been written of that celebration, including in conjunction with it, the Club's centennial history. That year also happened to feature the tenth anniversary of the opening of the Managers' regional office in Shanghai.

2018 marked twenty years of service for the Managers' office in London, their first overseas outpost, and five years for their office in Hong Kong. 2018 also featured the twentieth anniversary of the American Club's engagement as a full Pooling member of the International Group of P&I Clubs.

2019 has not itself been a year containing any milestone with a commonly-regarded significance,

save for the rather esoteric fact of its being the thirtieth anniversary of the American Club's first becoming (in 1989) a reinsured member of the International Group (through the London Club) and a signatory to the International Group Agreement.

As we approach the threshold of a new year, our thoughts turn to what 2020 will bring. The middle of the year will mark the fifteenth anniversary of the opening of the Managers' office in Piraeus, whose recent removal to new premises was celebrated with an open house for Members, brokers, and the Club's many other friends in early October. But even more significantly, 2020 will mark the twenty-fifth anniversary of the implementation of its strategic plan for growth and diversification which, when it was originally launched in 1995, was given the rather grand title of Vision 2000.

The American Club of recent years is, by most measures, paradigmatically different from what it was twenty-five years ago. In terms of its size, financial circumstances, diversity of membership by management domicile and entered tonnage, insurance capabilities, professional skill sets and global reach, the Club is unrecognizable by

comparison with its original corporate self.

And this is the case by reference to the Club's mutual business alone – taking its Eagle Ocean Marine fixed premium facility into account, as well as its investment in American Hellenic Hull, it stands as broadly based in the marine insurance domain as most of its larger competitors to confront the challenges and exploit the opportunities of the future.

It is worth recording that, from the small beginnings of Vision 2000 in 1995, and despite the unpromising conditions which attended its growth during the early years of development, the American Club was fortunate to be able to rely on the support of its Board and a corps of loyal Members from the start. This support has been sustained ever since through the continuing commitment of a changing Board and expanding membership.

But above all, perhaps, the Club's success has been underpinned by the steady development of the professional capabilities of its management team across the world. The skills of that team are second-to-none by comparison with those anywhere else in our industry representing, as they do, a talisman for the Club's continuing success over the years ahead.

And what do those years hold in prospect, both for the industry and for the American Club? As I mentioned in my introduction to the previous edition of Currents, there are signs that the marine insurance world in general, and the P&I sector in particular, may be in a transitional phase as the intersection of unsustainably low premium rating,

rising claims and falling investment returns (albeit that 2019 might just provide a final flourish in the latter area by comparison with likely earnings in the future) creates a new dynamic for underwriters.

Against this background, and given the extraordinary progress the American Club has made in recent years in growing and diversifying its business, managing this period of transition will demand singlemindedness of purpose in adjusting to new realities. To preserve the best of what has recently been achieved by the Club, and to place it upon an even better footing for the future, it will require amplifying its business profile going forward through the adoption of new strategies to harness the exceptional market potential the Club and its related enterprises have generated over recent years.

In doing so, and as ever, the Club will be motivated by its characteristic enthusiasm as, building upon a recent past with considerable achievement, it welcomes a future of continuing success.

Joe Hughes



## BATTERTON - THE IMPACT ON PUNITIVE DAMAGES & DEFENCE OF MARITIME CASES



by: **Claire E. B. Garza**

Assistant Vice President - Claims Executive & Counsel  
Shipowners Claims Bureau, Inc. Houston, Texas



The United States Supreme Court - Washington, DC

On Monday, June 24, 2019, the Supreme Court of the United States issued a 6-3 decision in *Dutra Group v. Batterton*, 588 US \_ (2019), holding that a plaintiff may not recover punitive damages – that is, additional monetary damages awarded to a plaintiff as punishment for the defendant – in a maritime claim for unseaworthiness. This highly anticipated landmark decision, authored by Justice Samuel Alito, will undoubtedly impact the outcome of cases and defense strategy in maritime claims for many years to come.

### **Factual Background**

The plaintiff, Christopher Batterton, was a deckhand working aboard a vessel, owned and operated by Dutra Group. While working aboard the Dutra Group vessel, a compartment became overpressurized and blew open a watertight door, crushing Batterton's hand against a bulkhead. The door was determined to have blown open because the vessel was lacking a specific exhaust mechanism, which rendered the vessel unseaworthy as a matter of law.

Batterton sued, asserting several claims including negligence, unseaworthiness, maintenance and cure, and unearned wages. He claimed both compensatory and punitive damages. Dutra Group moved the district court to strike the claim for punitive damages, arguing they are not available in unseaworthiness claims, but was denied. The United States Court of Appeals for the Ninth Circuit affirmed the district court and allowed the punitive damages claim to proceed. Dutra Group then appealed to the Supreme Court, which agreed that punitives are unavailable and reversed the Ninth Circuit.

### **The Determination**

The Batterton Court examined each maritime claim presented in its historical context in order to determine whether punitive damages were available, as each had different origins requiring application of slightly different procedures. The historical evidence demonstrated that compensatory damages—not punitive—were available for unseaworthiness claims.

Given the lack of historical practice allowing for punitive damages in unseaworthiness cases, the Court then turned to the Jones Act for additional guidance. The Jones Act incorporated rights provided to railway workers pursuant to the Federal Employers Liability Act (“FELA”) and provided injured seamen with a cause of action and right to a jury trial. At the time the Jones Act was passed, the Court held that any recoverable damages under FELA were limited to financial and actual pecuniary losses. Case law addressing FELA and early case law addressing the Jones Act also demonstrated that the two acts did not allow for the recovery of punitive damages.

Lastly, the Court examined whether punitives should be available based upon policy

considerations. The Court examined the general maritime law's longstanding treatment of seamen as wards of the admiralty courts. Batterton himself argued that the “special solicitude for the welfare of seamen” could support the recovery of punitive damages in unseaworthiness actions. It was determined by a majority of the Supreme Court that this paternalistic approach was not a requirement. In fact, the majority found that the circumstances once giving rise to treatment of seamen as wards of the admiralty courts no longer exist. Further, the Court recognized that allowing punitive damages would place American shippers at a disadvantage given that the international shipping community limits injured seamen to compensatory or pecuniary damages only.

### **Impact on Shipowners**

The Supreme Court's ruling in this case will become an integral part of formulating a strong defense to personal injury actions brought by seamen. Those vessel owners and counsel defending against a seaman's unseaworthiness claim should be prepared to argue Justice Alito's findings within the Batterton opinion to combat the reliance on any outdated legal doctrines and respectfully remind the judge: An injured seaman may not recover punitive damages as a component of an unseaworthiness claim!

## A SEA OF DISTRACTIONS



**by: Danielle Centeno**

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Have you ever wondered why we can abruptly lose focus and the attention to what we are doing immediately shifts from one thing to something else? A survival function of the human brain is actually responsible for this. When confronted with danger, the brain instinctually pauses in order to scan the environment for fight or flight, a response that served an important role for primitive humans, but has some negative consequences in the modern world we live in today.

Data, through social connectivity, is delivered instantaneously, with the use of smartphones, social media, TV and news outlets. As a result, we avoid the feeling of agitation or boredom, which goes along with patience, concentration or deep thought. Information delivered at the click of a button and for short periods of time is causing people to have shorter and shorter attention spans. Such an environment of constant stimulation can be challenging to focus, remain vigilant and concentrate, particularly onboard a seagoing vessel.

Distraction can be defined as a diversion process of an individual's or group's attention from the desired area of focus. Both internal and external distractions can present risks onboard:

Internal factors such as seafarer fatigue, emotional stress, or a lack of proper nutrition, diminish a person's alertness. Lack of concentration

can also be a symptom of an onset of a moderate or severe physical medical condition. Internal risk factors could also be a diagnosed disorder such as Attention Deficit Hyperactivity Disorder, ADHD. ADHD is more commonly diagnosed in children; however, it is believed that an increasing number of adults are being diagnosed every year. Studies show this population of adults is significantly more likely to get into serious car accidents in their lifetimes.

While internal distractions may exist within an individual, I have observed that seafarers are experiencing increasingly more external distractions onboard their vessels. Safety requirements, such as forms and checklists, which are intended to improve safety practices, may be posing an increased threat of distraction to seafarers during periods when critical decision making is imperative. Many vessels are now connected to internet and phone service and while having that constant contact with family and friends is comforting, it can be extremely difficult for a seafarer who may be experiencing hardships at home to detach and concentrate solely on his job. Interactions with a company's office or customers by way of e-mails and cell phones also contributes to distraction. Such distractions can trigger danger signals in our subconscious mind particularly if an immediate response is required.

THE AMERICAN CLUB

**FEED YOUR FOCUS!**

- Shut off personal cell phones
- Have a healthy snack
- Avoid checking every e-mail
- Get enough sleep
- Clean space, clear mind
- Use a "Do not disturb" sign
- One task at a time - Prioritize!

**Safely Navigate Through A Sea of Distractions!**

AMERICAN CLUB  
LOSS PREVENTION

Piloting a vessel incorporates multiple tasks which depend upon different human capabilities, such as cognitive attention and decision-making, visual recognition and identification, and manual motor skills for quick and accurate responses. Keeping a good lookout is perhaps the most fundamental watchkeeping requirement on any vessel. A lookout, if utilized properly, has a responsibility to focus solely on the vessel's surroundings taking on no other tasks during this time. But, Pilots and Mates will commonly assume the role of lookout, even with a two-person team in the wheelhouse.

The U.S. National Transportation Safety Board (NTSB) declared distraction as the number one growing and life-threatening problem throughout all modes of transportation. We know of many such accidents caused by distracted Captains, the COSTA CONCORDIA and Philadelphia Duck Boat incidents for instance. However, navigators are not the only ones susceptible to distractions.

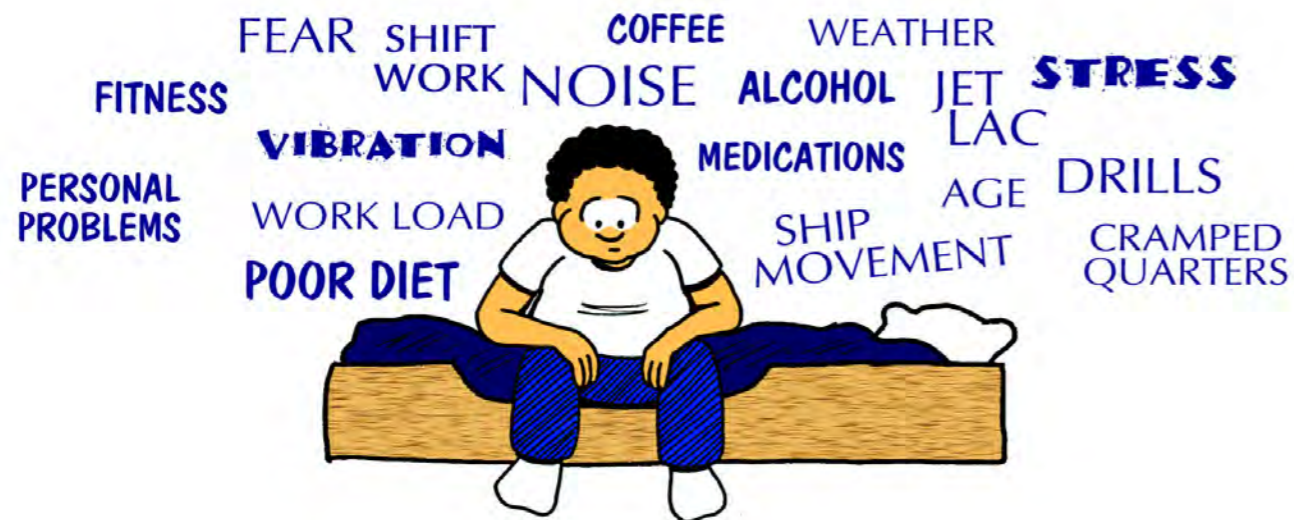
Cargo operations, shipboard repairs, and

even routine tasks onboard, which may require concentration or attention to safety, can have deadly consequences if the operator becomes distracted. Several slip, trip, and fall injuries are a result of seafarer distractions, whether it is failing to identify an obstacle, creating an obstacle for other shipmates, or not paying attention to surroundings. Distractions can be fatal for an individual, the entire vessel's crew, and others if not avoided.

So, as a method of preventing distractions consider the following rule of thumb:

*Just say NO! Don't be afraid to let the person requesting your attention that what they are asking from you can wait. Also, think twice about disturbing a shipmate who is engaged in an important task unless the message is urgent, or it aligns with their goal or priority.*

Going hand in hand with saying "no," is the counter negativity and criticism that may follow. People may consider saying "no" as a form of



confrontation. It is important to avoid pressures to break one's concentration.

The following are additional simple methods to improve concentration:

1. Shut off personal cellphones, mobile devices, and personal tablets during the workday or during your watch.
2. Avoid checking e-mails as they come in; instead, designate a certain part of the day for checking and responding to e-mails.
3. Keep your workplace clean and clear of paraphernalia other than what is needed for the immediate task at hand.
4. Feed your brain with a healthy snack. It is hard to stay focused when you are hungry. Caffeine and sugar, in moderation, will also help you focus.
5. Get enough sleep. Sleep deprivation leads to reduced alertness and concentration, making it more difficult to focus and pay attention.
6. Use a "Do not disturb sign," perhaps on a seagoing vessel this can read "Urgencies or emergencies only," to serve as a reminder that concentration is required for safety reasons.
7. Focus on one task at a time. Juggling multiple tasks at once can dramatically reduce productivity. Instead, prioritize and triage your tasks to hone-in on what is critical.

Follow the above so that you can navigate safely through an emerging sea of distractions!



## SOYBEANS HEAT DAMAGE CLAIM IN CHINA PARALLEL PROCEEDINGS AND THE IMPLICATIONS

by: **Huang Naizhe**

Huatai Insurance Agency & Consultant Service Ltd., Shanghai Branch

The last decade has seen a number of high value claims in China in respect of heat damage to soybeans mainly exported from South America and sometime USA where normally the cargo is loaded in apparent good condition but is found heat-damaged at outturn. Given the relatively high value of soybeans, multi-million dollar claims arise from time to time.

### **The cause of the damage**

Apart from the damage caused by over-heating of bunkers, it is considered that the heat damage is as a result of microbiological instability during the voyage caused by parcels of the cargo having been loaded in an over-moist condition. It is understood that equilibrium relative humidity ("ERH"), moisture content ("MC"), temperature and duration of storage are four of the prevailing factors affecting the quality of the soybeans during carriage.

If the ERH within the inter-granular spaces of a stow is above 70%, the ubiquitous storage fungi present on all grains and beans will grow progressively. It is demonstrated that the ERH is 70% when the temperature is 25°C and the equilibrium MC is 13.3%, mould growth is suppressed during storage when the environment is maintained at a relative humidity level of 65% or lower. In relation to the MC, 13% is the limit for safe storage or carriage in respect of Chinese

Standard . When it comes to the temperature, as soybeans in carriage are live, it is important to assess the cargo's biological stability as its declared MC by reference to the temperature. As per Gard's circular, the safe storage duration of a soybean cargo with 13% at 27°C is about 40 days.

Certified MC set out in the certificate of quality is seldom above the limit, say 13%. But it should be noted that the certified MC is an average figure obtained by analysis of a single representative sample and consequently some portions of the cargo may have MC in excess of the certified figure. It is established that the range and specifically the highest level of MC found within any sub-parcel of grain making up a bulk stow which is of paramount important in determining the storage life of agricultural grain products. The greater the range and the higher the maximum MC, the shorter is the safe storage life.

Self-heating and mould growth can impact the quality of soybeans with an increase in the level of free fatty acid ("FFA") in the crude oil and a decrease of protein digestibility in the soybean meal. Therefore, extensive self-heating translates into higher concentrations of FFA and lower protein digestibility. consequently, this gives rise to higher refining costs and yield losses of the soybean oil as well as loss of profits of soybean meal.

### **The incorporation of charterparty arbitration clause into bill of lading and the anti-suit injunction**

The incorporation of charterparty arbitration clause into bill of lading is a recurrent issue. A cargo claim regarding heat damage may give rise to legal proceedings under both bill of lading and charterparty which are most likely subject to English law and London arbitration.

Under the bill of lading, the consignee could pursue a claim against the carrier through either Chinese court proceeding or foreign arbitration proceeding if the charterparty arbitration clause is incorporated. It is not uncommon that the parallel proceedings arise under the bill of lading. It is most likely that the cargo interests in particular when they have no assets in UK will pursue a court proceeding against the carrier in China as Chinese courts are inclined to hold in favor of cargo interests to the effect that the arbitration clause has not been incorporated into the bill of lading whilst the English counterparts take a different view.

For the purpose of refraining the consignee from pursuing court litigation in China, the carrier could apply an anti-suit injunction before English court and raise an objection to jurisdiction in Chinese courts. Normally, the carrier will apply to English court for an anti-suit injunction against the cargo interests. The court will grant an anti-suit injunction, for which the court is likely to be satisfied to a high degree of probability that both parties are bound by an agreement to arbitrate disputes and that the current claim falls within the scope of that agreement, as well as that the arbitration clause has been incorporated into the bill of lading contract.

It is highly likely that the Chinese courts will reject the carrier's objection to jurisdiction stating that the terms on the bill of lading does not constitute effective incorporation of the arbitration clause of charterparty on the ground that the holders of bill of lading have no chance to negotiate bill of lading terms. However, it is advisable to proceed with the judicial objection as a tactic action so as to buy more time for preparing for the defence evidence and to make it clear to the charterers that owners have not consented the Chinese jurisdiction.

In relation to Anti-anti-suit injunction, in 2017, Wuhan Maritime Court issued a maritime injunction where a foreign shipowner was ordered to apply to withdraw an anti-suit injunction granted by the Hong Kong High Court against a Chinese insurer. Thereafter, the matter was settled out of case and the impact of such maritime injunction remains to be seen.

### **The court proceeding in China**

In our experience, Chinese courts are pro-cargo interests and are inclined to hold in favour of the cargo interests that the carrier shall be liable for the heat damage with the following reasons.

1. The carrier fails to follow proper practice to measure the temperature, humidity and make sure that proper ventilation could take place.
2. The Customs' inspection certificate on damage in favour of cargo interests has more weight than other reports.
3. Both the local expert and international expert do not have the qualification in China to conduct an assessment on damaged cargo. The experts are also

unable to prove that the causation between the cargo with MC in excess of 13% and the heat damage whilst the MC set out in both quality certificates of loadport and disport are on-spec.

Chinese courts will hold that cargo interests are only requested to show that damage occur when the carrier is in custody of the cargo but they are not obliged to establish the cause of the damage. The onus of proving of the cause of the damage lie in the carrier who is considered to fails to do so. In consequence, the carrier is not allowed to rely on the exceptions to exonerate from the liability unless the same is caused by prolonged stay at anchorage where it is likely that the court will hold that the carrier shall be partially to blame for the damage as he fails to take reasonable measures to perform their obligation of mitigation such as discharge the cargo into warehouses or other appropriate places when the consignee has delayed or refused the taking delivery of the cargo.

### **The arbitration in London and parallel proceedings**

On same occasions, parallel proceedings come to existence as the cargo interests refuse to participate in London arbitration but instead continue the court proceeding in China.

As far as we are concerned, the English law bears a similarity to the Chinese law in terms of burden of proof when the carrier want to rely on the inherent vice exception in Article IV Rule 2(m) of the Hague Rules. In *Volcafe Ltd and another v Compania Sud Americana de Vapores SA* ([2018] UKSC 61) the UK Supreme Court held

that where cargo is loaded in apparent good order and condition and is found damaged on outturn, the carrier bears the onus of proving that it was not due to its breach of the obligation in Article III Rule 2 of the Hague Rules to take due care to protect the goods from damage, including due care to protect the cargo from damage arising from inherent characteristics. To be specific, the carrier should establish that they provided the required degree of care, or that even had they done so the damage could not have been prevented, i.e. the loss was inevitable. The Supreme Court further considered that if there is any accepted industry practice for this specific cargo and if the carrier conformed the practice.

In *soya v. White*, the House of Lords accepted that with a moisture content of between 12% and 14%, chances are that deterioration from micro-biological action occurs during the voyage. It is unclear that if the court accepts the proposition that the even the average moisture content is in acceptable margin, the parcels which have excessive moisture cause the heat damage as it is difficult to establish which parcels are to blame. It remains to be seen as to what extent the *Volcafe* will impact the establishment of inherent vice exception defense.

Whilst Chinese courts hold the improper ventilation leads to the heat damage, the London arbitration tribunal accepts the testimony of international experts that it is well established that the heat damage is as a result of the microbiological instability during the voyage caused by parcels of the cargo having been loaded in an over-moist condition and the ventilation may reduce the ship's sweat and affects the top surface of the stow

but cannot prevent the self-heating inside the stow from happening. It follows that the condition of the cargo during transit will almost depend on the condition of the cargo at the time it was loaded at loadport.

Therefore, it is not uncommon that the London arbitration award indicates that the carrier shall not be liable for heat damage whereas the cargo interests obtain the judgment in their favour from Chinese courts. Under this circumstance, the Chinese courts will refuse to enforce the foreign arbitration award in China.

### **Conclusion**

It appears that Chinese courts exact high standard of ventilation and care of cargo and we expect that they could not accept the carrier's defence submissions until the advancements in technology and forensic sciences could establish that moisture distribution inside the cargo stows could be identified as well as the process of self-heating is able to be reconstructed just like the replay of the records of the driving recorder. The carrier/owners, therefore, have no choice but to seek redress from the charterers down the charterparty chain.



1 GB 1352-2009 Soybean

2 Prevention of soya bean cargo claims (Loss Prevention Circular No. 03-13), Gard As. Circular could be found at: [http://www.gard.no/Content/20735967/LP\\_Circular\\_03-13.pdf](http://www.gard.no/Content/20735967/LP_Circular_03-13.pdf)

3 Maritime Injunction: a proper weapon against the anti-suit injunction?, Yu Feng and Steven Zhou of King&Wood Mallesons and Stephen Duof 7 King's Bench Walk. The article can be accessed at: <https://www.kwm.com/en/knowledge/insights/maritime-injunctions-a-weapon-against-anti-suit-injunctions-20171023>

4 See *Soya G.M.B.H. Mainz Kommanditgesellschaft v. White* [1983] 1 Lloyd's Rep.122. Please also see *Soya Beans - Carriage of bulk cargoes*, Skuld. The article could be found at: <https://www.skuld.com/topics/cargo/solid-bulk/agricultural-cargoes/soya-beans/>



# AMERICAN CLUB NEWS

## NEW APPOINTMENTS

### NEW YORK, LONDON & HONG KONG

Daniel A. Tadros joined Shipowners Claims Bureau, Inc. (SCB) as its Chief Legal Officer (CLO). Previously admiralty partner and practice area coordinator of Chaffe McCall, LLP of New Orleans, Mr. Tadros is a well-known figure within both the maritime community at large and the marine insurance sector in particular, having over many years served with distinction a broad international clientele from every segment of the shipping industry. Dan is especially well-acquainted with the work of International Group P&I clubs and brings with him a wealth of insight and expertise which will greatly enhance SCB's capabilities in the management of the American Club, and the promotion of its Members' interests.

In the Managers' office in London, Richard Linacre will undertake important market liaison and business development responsibilities. A well-known, and highly experienced, P&I professional with a broad industry background, Richard will bring additional expertise and technical capabilities to the London team, principally in support of EOM's activity both in the local market and more globally. Also at SCB (UK), Arsinoi Iliokaftou has been appointed Claims Executive to add further strength to its existing capabilities in the claims liaison sphere. A fully-qualified Greek lawyer, as well as holding a master's degree in maritime law from the City University in London, Arsinoi is in the process of qualifying as an English solicitor and is also a Member of the Institute of Chartered Shipbrokers of the United Kingdom.

In the Managers' Hong Kong office, Vicky Cheng and Joe Wan have been appointed as Business Development Executives (Asia) to assist in Club and Eagle Ocean Marine (EOM) initiatives in this key region. Having gained under- and post-graduate degrees at Shanghai Maritime University, Fudan University, and the Hong Kong Polytechnic University in disciplines ranging from international economics to trade policy and transport logistics, Vicky Cheng served most recently as client manager in the marine department of a major international insurance broker in Hong Kong. Holding bachelor and master's degrees in law from the East China University of Political Science and Law and the City University of Hong Kong, Joe Wan also has significant marine insurance experience derived from his previous employment at a leading specialist broker in Hong Kong during which he handled many lines of marine business.

Matthew Haeberle joined our IT team as an IT Senior Security and System Specialist. Matt's role is to focus on our ever-growing, and quickly changing, demand for IT security and infrastructure needs. Matt holds a Bachelors' degree in Business Management from Babson College and has nearly 14 years of varied IT experience.



# AMERICAN CLUB EVENTS

## ANNUAL GENERAL MEETING BOARD ELECTIONS & ANNUAL DINNER

June 20, 2019 - New York, US



# AMERICAN CLUB EVENTS

Thank you all for joining us  
at our Open House in Piraeus!

October 1, 2019



# AMERICAN CLUB EVENTS

ANNUAL ASIA PRESENTATIONS

October 2019 - Shanghai, Hong Kong, Taipei



# AMERICAN CLUB EVENTS

## ANNUAL MARKET PRESENTATION

December 3, 2019 - London, UK



# AMERICAN CLUB EVENTS

## ANNUAL MARKET PRESENTATION

December 5, 2019 - Piraeus, Greece



# AMERICAN CLUB EVENTS

## MENTAL HEALTH AWARENESS TRAINING FOR THE MARITIME INDUSTRY

October 24, 2019 - Piraeus, Greece

The American Club welcomed its Members at the “Mental Health Awareness Training for the Maritime Industry” conducted by Dr. Katherine Stella Thompson and American Club’s Global Loss Prevention Director Dr. William Moore, in association with the International Seafarers’ Welfare and Assistance Network (ISWAN), taking place at the Piraeus Marine Club in view of the Mental Health Month! The workshop’s objective was to gain a better understanding of the mental health issues that affect seafarers and how to support mental wellness.



## LOSS PREVENTION PARTNERSHIP WORKSHOP TULANE UNIVERSITY MARITIME LAW CENTER

October 9-10, 2019 - New Orleans, USA

The American Club in cooperation with the Tulane University Law School, conducted the Loss Prevention Partnership Workshop at the Tulane Maritime Law Center in New Orleans, offering perspective on loss prevention matters, discussing Club’s role and providing a look into the future of the loss prevention.



# AMERICAN CLUB EVENTS

## COWES WEEK 2019

August, 2019 - Isle of Wight, UK

The American Club and Eagle Ocean Marine welcomed friends from the shipping community and enjoyed a strong turnout at the Isle of Wight during Cowes Week 2019.



## ANNUAL WINSON GROUP CREW TRAINING SEMINAR

August 22, 2019 - Xiamen, China

The American Club’s Dimitris Seirinakis, John Wilson and Yelin Tang, gave insight on personal injury cases emphasizing on the importance of evidence collection after an incident and introduced The American Club’s e-learning module on STS Operations, during the Winson Group Crew Training Seminar in China.



# MARITIME CYPRUS WEEK

OCTOBER 2019

# LOSS PREVENTION

NEWS & INITIATIVES



During the 2019 Maritime Cyprus week, the American P&I Club, was a proud sponsor of the Opening Ceremony. Its subsidiary American Hellenic Hull Insurance Company Ltd (AHHIC) was a gold sponsor of the Maritime Cyprus 2019 Conference and the official ambassador for the United Nations' Environment Program of Principles for Sustainable Insurance.

The American P&I Club is pleased to announce the release of its loss prevention guidance, Bunkering - A Compendium. The Compendium supplies guidance with respect to issues arising from the new MARPOL regulations coming into effect on January 1, 2020 (often referred to as the 2020 International Maritime Organization Sulfur Cap), as well as best practices generally in the conduct of bunkering operations. It is aimed at obviating exposures with both P&I and FD&D insurance implications.



The American P&I Club at the signing ceremony of the Memorandum of Understanding between the World Maritime University and AHHIC for cooperation in marine insurance focusing on education, research, and training. The Club's Vince Solarino and AHHIC's Ilias Tsakiris are pictured with Ms. Natasa Pilides, Deputy Minister of Shipping in Cyprus and Dr. Cleopatra Doumbia-Henry, President of the World Maritime University.

The American P&I Club continues its commitment to seafarer wellness with this loss prevention response to increasing illness claims related to heat exposure. The Club worked with WiseHealth Inc. Seafarer Outreach to produce written guidance, podcasts and corresponding advisory videos to enhance seafarers' awareness of measures to prevent such illnesses. During the podcast series the Club's Danielle Centeno, Lt. Cdr. (USN-R), gives insight into some of the heat-related issues seafarers face and offers solutions to help them avoid common heat-related dangers.



# STEAMING AHEAD . . .



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

## Steaming Ahead 2020

Well, we have come to the end of another decade and about to enter the waters of 2020. The year suggests that we will see clearly ahead with 20/20 vision, but I suggest a more blurred view is forming for the maritime community. We are already encountering waves of concern due to well-intended environmental initiatives in a still recovering shipping market. The 2020 Sulphur Cap is of major concern and has already cost the shipping community hundreds of millions of dollars in the form of capital costs, engine breakdowns, insurance claims, and a myriad of uncertainties.

Yes, I know the low sulphur fuel issue has been a topic for more than a decade. I also know that the shipping community could have taken steps earlier to force a more inclusive debate on how any such regulation could upset the shipping sectors 'ecosystem'. Others may contend they did voice their collective opinions, but they weren't heard.

Whatever interpretation of facts either side had previously, the regulators and industry must become better partners by listening, observing and compromising to address the significant financial and operational impact on a still struggling shipping sector. Scrubber systems, both open and closed

loop systems, have already presented the industry with problems that, quite frankly, should have been anticipated. It is no surprise that many (most?) ship owners hesitated building these 'temporary' mobile refineries on their ships. Alternatively, increasing use and supply of low-sulphur fuels presented the industry with an unreliable product lacking adequate specifications, contamination and operational failures. It still puzzles me why regulation did not focus more on the 'land-based' refineries switching to low-sulphur production like the world-wide effort and enforcement to produce unleaded gasoline. Perhaps the IMO regulatory focus on waterborne solutions was thought to be the best method to force a land-based change. The increasing supply of low-sulphur production with better specifications and performance integrity and decreasing price can be a valid argument for the seemingly backward approach!?

That brings us to sustainability which has attracted quite a lot of discussion lately. Sustainability must be an inclusive and carefully thoughtful initiative and not simply an idealistic and authoritative dictate. We all want sustainability of the environment, industry, natural resources, services, employment, financial security, health and welfare. That can't be successfully accomplished if we ignore any of

those collective components of society afforded by a solid sustainable economic platform.

Sustainability requires social, scientific and economic knowledge applied with a realistic and sustainable balance. Unbiased education and industry mentoring are essential elements for sustainability. Matching regulatory aspirations and commitments with practical industry knowledge and impact analyses is a mission embraced by the IMO-founded World Maritime University, lead by an energetic intellectual and open-minded President, Dr. Cleopatra Doumbia-Henry. I had the pleasure of meeting Dr. Doumbia-Henry at the historic MoU signing ceremony with American Hellenic Hull Insurance Company, Ltd and CEO Ilias Tsakiris in Cyprus this past October, and I can tell you this impressive woman has enough energy to light up the world. How is that for sustainability!

Let's hope 2020 provides us with the clarity needed for all of us to accomplish our collective goals.

**Happy New Year!**

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