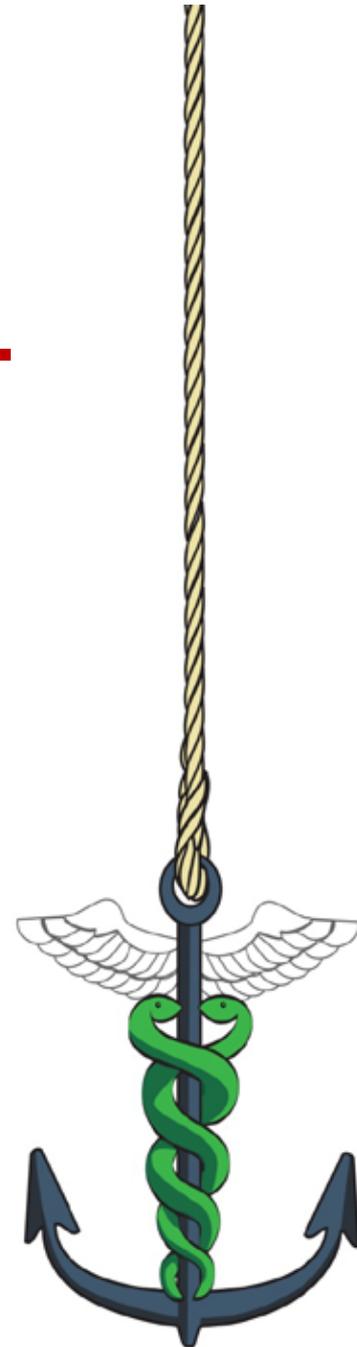


P&I and Pre-Employment Medical Exam (PEMEs)

*Experiences from a 12 year commitment to ensuring
seafarer fitness*

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Agenda

- Fitness of seafarers: safety, environmental protection and maritime security
- Illness claims statistics
- The American Club PEME program—history and compliance
- General observations from 12 years of PEME experiences & considerations for shipowners



Requirements and policies of the Club

- Seafarers from the 9 required nations **must** attend a Club approved clinic with the following requirements:
 - American Club Medical Form must be completed, signed and dated
 - Medical history questionnaire must be completed
 - All required tests must be completed to the Club's PEME guidelines– Members cannot pick and choose tests
 - Clinics will not issue Club PEME forms if not all required tests are completed
- American Club PEMEs will be valid for two (2) years in harmony with Regulation 1.2 (Medical Certificate), Standard A1.2, paragraph 7(a) of the 2006 Maritime Labour Convention
- Mandatory for seafarers from **Bulgaria, India, Indonesia, Latvia, Philippines, Poland, Romania, the Russian Federation and Ukraine**



Why mandatory PEMEs for some countries?

- Selection criteria for mandatory PEMEs:
 - frequency of illness claims
 - severity of illness claims
 - illness contributors—why are they sick? Could Club PEME have prevented illness?
 - numbers of seafarers used by Members from that country?
- Why no Club requirements for USA and China, two large seafarer producing nations for Members?
 - USA– legal and labor issues
 - China– relatively low frequency of illness claims



Requirements and policies of the Club

- Club policy regarding non-compliance with PEME program?
 - **Double Deductible:** “apply a deductible twice that which would otherwise have applied to a claim arising from the illness of a crew member falling within the ambit of this clause, notwithstanding that such claim would have arisen regardless of the Member’s failure to comply with any of the obligations set out...”
 - **Denial of claim:** “...deny any claims for the death, illness or injury of a crew member falling within the ambit of this clause, or any expense incurred in respect thereof, in whole or in part, arising from a medical condition which could have been discovered if the Member had complied with the obligations....Whether or not such medical condition could have been discovered if the Member had complied with the said obligations shall be a matter for the sole and exclusive determination of the Managers.”



Procedures for Members

- Members must clearly instruct manning agents of Club PEME policy
- Members should regularly check to ensure PEMEs are valid by contacting the clinic directly or the Club managers to assist
- Managers regularly check validity of PEMEs with clinics on behalf of Members
- Members **MUST** ensure (either directly or through their manning agent) that seafarer is to have a Club approved PEME
- Members should check that all relevant documentation (especially the Club PEME form has been completed prior to employment)
- Updated list of approved clinics is on the Club website at <http://www.american-club.com/page/pemes>
- Updated PEME forms for all required countries is also found on website under “Loss Prevention”



Concerns in PEME compliance

- Some concerns and considerations regarding PEMEs
 - Seafarer's PEME is performed at an American Club approved clinic
 - Seafarer's PEME is performed at a Club-approved clinic, but the required American Club medical form must be used
 - Seafarer's PEME must include the full range of required medical examinations required
 - Forged American Club PEME forms—now use numbered hologram stickers
 - American Club PEMEs are not a statutory mandatory requirement in compliance with the STCW Convention and MLC 2006
 - Club PEMEs for seafarers from the nine (9) required nations are not in lieu of STCW Convention and MLC 2006 certification requirements
 - Cost of Club approved PEMEs—maximum fixed prices of PEME approved clinic found at http://www.american-club.com/files/files/PEME_price_list.pdf



Non-PEME required countries

- Club Circular 25/08 was issued to address seafarers from nations not required to attend approved clinics:
 - Members are encouraged to use the standardized Club form and medical examination guidelines
 - Not required to date, but Board and managers will continue to evaluate and consider if future mandatory implementation will be applied



Retention of qualified seafarers

- Many commercial, operational, regulatory challenges to shipowners in difficult and good shipping markets!
- Retention of qualified, motivated and fit seafarers is one of the major challenges
- Communication and dialogue between Club managers and Members on PEMES is essential
- Only 3% failure rate of seafarers found “permanently unfit for duty”
- Many seafarers found conditionally fit for duty with medication
- Special consideration by Club managers for senior personnel and personnel with long standing employment history with Member
- Caution always given to Members considering seafarers with pre-existing conditions—
urge particular caution on those who are new employees



Experiences and observations

What are primary medical concerns for seafarers?

- Hypertension
- Heart disease
- Pre-diabetic and diabetic conditions
- Alcohol related conditions (Eastern Europe)
- Plain and simple... unbalanced diet eating too much salt, sugar and fat!
- Generally seafarers are eating better while aboard ship
- Club has observed that for the most part, dietary concerns are between contracts when seafarer at home ashore



Experiences and observations (cont.)

Success of PEME program

- Success 100% the result of commitment of Club Members
 - management of claims costs
 - reliability of Club approved clinics
 - Members understanding that nominal extra costs for Club PEMEs is “the price of doing business” and see long term benefits
 - Members understanding program is not ‘punitive’ but Club and Member cooperative program
- Fast and reliable service and assistance from Club managers on PEMEs
- Number of repatriations from mandatory PEME countries resulting from illness claims is now nominal
- Transparency of pricing
- Long term cost saving



Experiences and observations (cont.)

Managers relationship with approved clinics

- Mutual cooperation in the best interests of shipowner, Club and clinic
- Each repatriation from a Club approved clinic is considered on a case-by-case basis
- Contact between Club managers and approved clinic
- Cases reviewed and managers recommendations for improvement are implemented by the approved clinic



Experiences and observations (cont.)

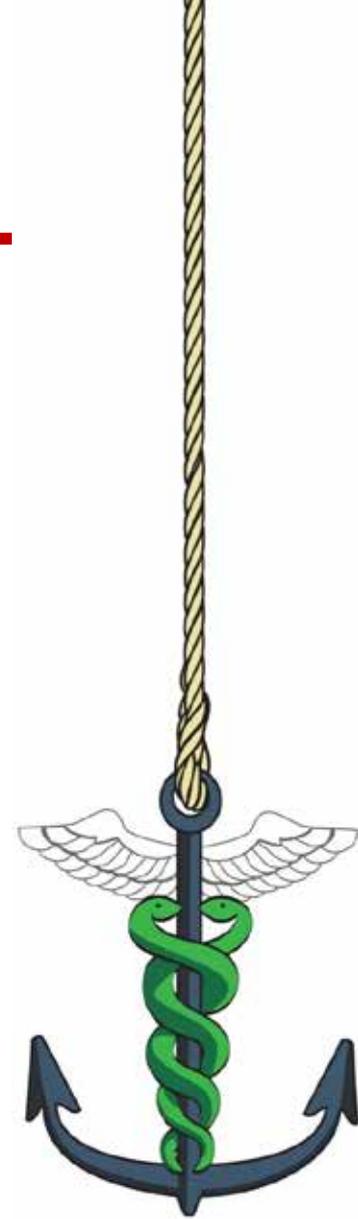
Scope of Club medical examinations

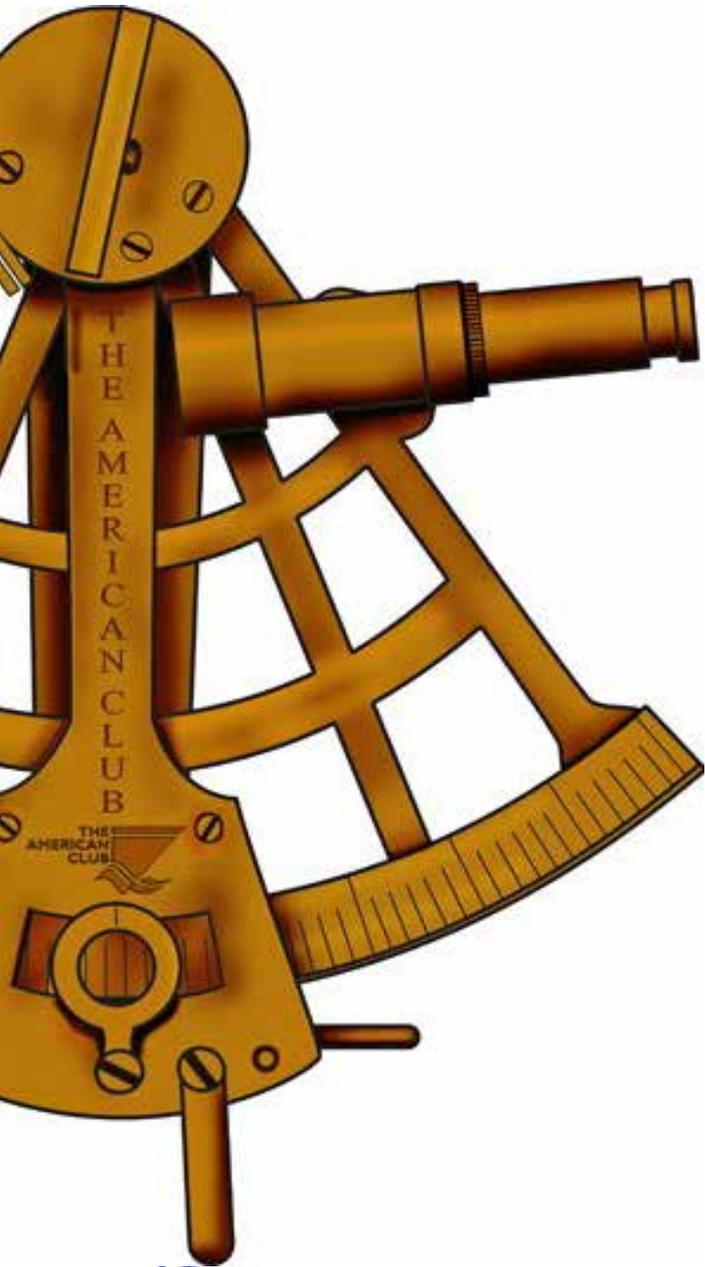
- Tests selected after detailed consultation with approved clinics from Club's experience with illness claims
- Agreed test standards for medical fitness were agreed
- Club periodically reviews medical standards in consultations with clinics
- Standards are transparent and provided for Members' consideration at http://www.american-club.com/files/files/PEME_Guidance_on_Standards.pdf



Summary

- Program was developed to prevent spurious illness claims for Members
- Program is not meant to be punitive but cooperative effort between Club, shipowner and approved clinic to prevent illness claims
- Program is a success due to Member commitment!
- Club managers here to assist Members in complying
- **If in doubt or you have questions, contact the managers (Dr W Moore) directly via email at william.moore@american-club.com**
- The Club website at www.american-club.com/page/pemes is always up to date on PEME related matters





Thank you for your
attention!

