



FEBRUARY 24, 2011

CIRCULAR NO. 10/11

TO MEMBERS OF THE ASSOCIATION

Dear Member:

THE PROVISION AND CONDUCT OF P&I CONDITION SURVEYS: RECENT DEVELOPMENTS

Members will be interested to know that changes have been implemented in the manner in which P&I condition surveys are commissioned and resourced following a recent, and extensive, review of policy and practice, informed by Member feedback, particularly as to issues of cost.

Non-renewal of former out-sourcing arrangements

Following a review of the arrangements involving Noble Denton Consultants and BMT (MOSL), Ltd., including the detailed consideration of the subject within your Board's Safety and Environmental Protection Committee, it was decided that existing service agreements with those providers would not be renewed.

Moreover, animated by a desire to control the cost of surveys to the maximum extent possible, the Club will henceforward adopt the practice of directly instructing regional surveyors.

The cost of, and payment for, surveys

In pursuance of these aims, your Managers' survey department will solicit lump sum quotations from approved surveyors in advance of the intended survey.

Quotations for surveys, and the cost thereof, will reflect expectations of optimal performance by surveyors. This will inevitably entail more administrative work within the management, and steps have been taken to respond to this through the enhancement of the human resources available to meet that effort.

Surveyors' invoices will be settled directly from the Club which will in turn issue an invoice to the Member. Such invoices are payable to the Club within 30 days.

Advance notification of vessel availability and preparation for survey

Your Managers have noted with concern that the survey process has often been significantly drawn out both in time and attendant cost. This is frequently because Members provide insufficient notification of the availability of their vessels for survey and, when they are made available, they are often ill-prepared to undergo survey.

This often results in surveyors' inability to complete a survey at the first attempt, resulting in the need for additional, follow-up surveys in order to complete the procedure.




This inevitably increases costs both in regard to particular vessels, and generally. Accordingly, it is important that Members, when asked to make a vessel available for survey, provide sufficient notice of its availability to the Club, ensure that the vessel is presented for survey in an appropriate condition, and provide full cooperation with the Club's surveyor in carrying out his work.

In this way, it will be possible to complete all the required tests and inspections on a single occasion, thus obviating the need for follow-up surveys which, of course, add to the overall cost of the program as mentioned above.

Further information

For further information, please contact Captain Richard Gayton, Principal Surveyor, Survey Compliance Department for the Shipowners Claims Bureau, Inc. at Tel: +1 212 847 4508, Fax: +1 212 847 4596 or surveys@american-club.com.

Yours faithfully,


Joseph E.M. Hughes, Chairman & CEO
Shipowners Claims Bureau, Inc., Managers for
THE AMERICAN CLUB