

# Providing an *innovative approach*





# Safety and Loss Prevention

## 2010 Highlights

Risk Alert bulletins published regularly, providing information on regulatory developments and topical issues

Further Loss Prevention posters produced on Collision Avoidance and Safe Working Practices

“A Team Effort” DVD extensively revised with new video content and versions in Korean and Russian

Further onboard training programmes produced in association with Videotel on “Offshore Supply Safety” and “Vessel General Permit”

Condition Surveys continue to support the management of claims risk and vessel quality



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### Loss Prevention and Safety Management

During the course of the year the Managers have continued to produce a variety of loss prevention materials.

The recurrence of claims arising from procedural failures and basic errors indicates that there is a continuing need to reinforce safety training onboard vessels. The Managers work closely with Videotel Marine International in the production of safety training DVDs and computer based courses for crew whilst they are at sea and within the working environment. The DVD "Training Matters 2" outlines the concepts upon which these productions are based and how the Club's claims experience is used to highlight particular aspects of the training material. Recent productions have addressed the subjects of Mooring, Offshore Supply Vessel Safety, and the US Vessel General Permit (VGP) requirements.

Sometimes, all that is required to reduce risk is a simple reminder of correct procedure or best practice. With this in mind, the Managers have regularly published a series of loss prevention posters dealing with issues such as safe working practices, good seamanship and ship husbandry. These posters rely upon the visual impact of good as opposed to bad practice, to convey the relevant safety message simply and clearly.

The Club's DVD "Collision Course" was produced in response to recurrent causes of collision claims, principally shortcomings in relation to lookout, safe speed, assessment of collision risk and correct avoiding action. The objective of this production is to make watch-keeping officers aware of the important obligations imposed by Section I of the International Regulations for Preventing Collisions at Sea.

To complement this programme, a further series of posters with the theme of Collision Avoidance has been produced to support its loss prevention objectives. In order to ensure that Members are kept informed of risk management issues affecting their operations, Risk Alert loss prevention bulletins are regularly issued. These deal with regulatory developments, topical operational issues, areas of focus of Port State Control (PSC), and issues arising from the Club's own claims experience.



The Club's crew Pre-Employment Medical Examination (PEME) Scheme was introduced in response to the frequency and nature of illness claims, brought by crew members who could not have been medically fit for sea service at the commencement of their employment. Recommended clinics have been listed in the Philippines, Russia and Ukraine in order to make available, reliable facilities at which enhanced PEMEs can be undertaken to reduce the risk of unnecessary loss.

The manner in which an accident or casualty is handled can significantly reduce exposure and thereby loss. For this reason the Managers produce the Club's claims handling DVD "A Team Effort". In addition to providing guidance on the steps to be taken to handle the principal categories of P&I claims, the DVD also serves as a source of claims handling material. The 2010 edition of this production will extend the language options to English, Spanish, Chinese, Korean and Russian.

The financial support for the Club's loss prevention initiatives is provided by The Ship Safety Trust. The DVD "Safer Ships, Preventing Loss" that was issued to mark the Club's Centenary in 2009, describes the role of The Ship Safety Trust in supporting the Club's various loss prevention activities.

## Safety and Loss Prevention continued

### Large Claims and Loss Prevention

#### Cargo

The frequency and severity of large cargo claims in 2009, was lower than in 2008. A feature of the claims incurred last year is that the majority, both by number and value, involved bulk carriers.

The most common cause overall was some form of machinery failure that resulted in the need for either salvage or other general average expenditure. This cause represented about 70% of the total value of these claims.

Others were caused by a variety of physical deficiencies in structures within the cargo spaces of the vessels concerned. One was caused by excessive moisture in a cargo of Indian iron fines. This has been a recurrent problem in recent years during the monsoon season. Because of the dangers that are involved, this was the subject of a Risk Alert bulletin issued in September 2009.

Another large claim involved the loss of general cargo from the deck of a container vessel. Recent market conditions have affected employment opportunities for container operators, sometimes resulting in the carriage of atypical cargo such as this. In order to highlight the risks and the precautionary measures that need to be considered, this was also the subject of a Risk Alert bulletin.



#### Collision

Two large collision claims gave rise to property damage. However in a further three collisions the predominant financial exposure was for loss of life or personal injury claims to crew or third parties, and oil pollution.

The causes of these collisions involved the familiar issues of poor lookout, excessive speed, and failure to take avoiding action in accordance with the Collision Avoidance Regulations. Most of the collisions occurred at night and two in conditions of restricted visibility. These incidents make it abundantly clear that there continues to be scope for improvement in operational standards to reduce collision risk.

The issues raised in the Club's DVD "Collision Course" remain relevant, and the Managers have continued to reinforce the loss prevention messages contained in that programme through the release of a further series of loss prevention posters, during the year, dealing with the action required to correctly implement the obligations imposed by a number of the Steering and Sailing Rules.

#### Crew

In common with preceding years, the greatest number of large claims involved crew. The majority of these involved either death or personal injury, and regrettably gave rise to 16 fatalities.

Most of the fatalities occurred as the result of a collision and a subsequent fire. This was the result of a serious event affecting those onboard a single ship. In contrast, and of greater concern is the fact that the overwhelming majority of the remaining fatalities, and one of the serious injuries, occurred when work was being undertaken in confined spaces onboard the vessels involved.

The risks associated with these operations are well known and much has been written about the dangers. Pursuant to the ISM Code, ship safety management systems contain detailed provisions dealing with the precautionary measures and permit to work procedures that must be followed. Nevertheless, these unnecessary casualties continue to arise, and much should be gained from further loss prevention measures. The Managers will be publishing material to help raise awareness of this significant area of risk during the coming year.

Far fewer large crew claims arose from illness, but one of these might well have been avoided if a more rigorous PEME had been conducted. During the year the Club's PEME scheme was expanded to include recommended clinics in Russia and the Ukraine. Analysis of the Club's crew claims experience according to nationality is ongoing to identify areas of future expansion of the PEME scheme with reference to identified risk.

#### Fixed and Floating Object

Fixed and floating object claims represented the largest single claims category in the major claims incurred in 2009, accounting for approximately 22% of their total value. There were six claims in total but only two of these occurred during berthing manoeuvres, and these accounted for only 6% of the total value of this claim category.

Two claims involved contact with structures offshore or in coastal waters as the result of navigational errors whilst vessels were underway. The same issues of proper lookout and safe speed that are relevant to loss prevention in the context of collision claims are equally relevant here.

The largest proportion of claims in this category arose whilst the vessels concerned were moored alongside shore terminals, thus highlighting that there is potential for significant exposure in this claims category even when the insured vessel is not underway.



#### Passenger

The overwhelming majority of claims in this category, both by number and value, involved a variety of machinery problems which then resulted in the cancellation or curtailment of passenger voyages.

The need for close attention to the condition and maintenance of mechanical and electrical equipment on vessels carrying passengers is self evident. This is an important area of focus of the Club's condition surveys on vessels of this type, although the reliability of machinery is not something that is readily capable of determination from inspection alone.

#### Pollution

There were six large pollution claims involving a variety of vessel types, but the majority of the incidents concerned tankers.

The most serious claim arose as the result of a collision at night in conditions of restricted visibility. Of the other claims, three occurred because of physical deficiencies with structures or systems on the vessels, and two as the result of operational errors during the transfer of either cargo or bunkers.

In contrast to some notable earlier years, none of the large pollution claims involved container ships.