



The London **P&I Club**

# 150 Years of the London P&I Club 1866–2016

Nigel Watson



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1866–2016

**Nigel Watson**

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A long career with the ship-broking firm of Clarksons, latterly Clarksons Platou, has provided me with a first-hand insight into both the importance and the many different facets of the world's shipping industry. Moreover, my work this year, during my tenure as Lord Mayor, has further illustrated the extent to which the shipping sector now touches so many things, in so many ways, playing a central role in the globalisation and growth of trade. Perhaps this maritime experience meant that the history of the London P&I Club was bound to resonate with me; but in any event I have very much enjoyed this interesting and well-written account of the Club's development over the last 150 years.

The history shows how the establishment of the London Club reflected the particular strength of British shipping in the nineteenth century. It goes on to look at the subsequent internationalisation of shipping and at how this contributed to the globalised membership and the operation of the Club that we see today. The history also covers developments at the Club during and around the two World Wars, together with the impact on the Club and its response to economic downturns and myriad other global events and challenges since 1866.

At the same time, the history highlights foresight and planning, for example in the early establishment of the overseas Club offices.

It also highlights enduring principles, such as innovation and adaptability, which clearly underpin the London Club's work. A commitment to mutuality is one of the important themes of this history, as is the strong ship-owner interest and engagement that there has been and continues to be in the direction of the Club. The London Club – now with a membership drawn from around the world and with its offices in Hong Kong and Piraeus, as well as London - has been transformed since it was founded by Sir George Hodgkinson. But as this history bears out, the preservation of such keys traits after 150 years is compelling testimony of their importance to ship-owners.

**Alderman The Lord Mountevans**  
Lord Mayor of London  
Autumn 2016



The story of the London Steam Ship Owners' Mutual Insurance Protecting & Indemnity Association, usually known as the London Club, covers 150 years of shipping history. When the Club was founded, shipping was dominated by the British mercantile marine and the general cargo steamer was developing as the major conduit for world trade. As the Club reaches 150, the world's shipping fleet is much more disparately owned and huge container vessels ship goods across the seas. One constant has been the prime importance of shipping to world trade and the way we live our lives in the modern world. As well as illustrating the momentous shifts in shipping since 1866, the story of the London Club also highlights the crucial part played by the mutual insurance clubs in sustaining the role of international shipping.

It has been a pleasure carrying out this commission for the Club and I would like to thank in particular Marcus Bucknall who has been immensely patient, good-natured and an invaluable source of help and advice. With Robert Magee, he was also responsible for a number of the illustrations which appear in

the book. Many of the pictures come from a wide array of sources and thanks are due to Liz Heasman for her indefatigable research. Paul Hinton and Ian Gooch helped to improve the original draft considerably.

The story has benefited greatly from the contributions of many people either through interview or written reminiscence. I would like to thank the following interviewees: Brian Brooke-Smith, Marcus Bucknall, Ian Carter, Graham Edmiston, Adam Fafalios, Stamos Fafalios, Bryan Gaze, Ian Gooch, Mike Hill, Paul Hinton, Lance Johnson, Amnon Lion, John Lyras, Jim McGrane, Edward Mocatta, Anthony Phillips, Steve Roberts, Martin Smith, John Williams; and those people who kindly submitted accounts of the Club's correspondents from all over the world: Charlie Bugoja, Andrew Cave, Homi Commissariat, Stephen Garbutt, Alejandro Laborde, Merle McKenzie, Alan McLean, Maria Helena Ribeiro, Alberto Trigub, Irfan Vazeer and Shimon Ziv.

**Nigel Watson**  
Autumn 2016



The Pool of London in 1876, the heart of the world's busiest port.  
Private Collection / Bridgeman Images

# Origins 1

**The London Steam Ship Owners' Mutual Insurance Protecting & Indemnity Association was founded by Sir George Hodgkinson in 1866. The Club was established at a time when the British merchant marine was reaching its peak as the innovation of the metal screw steamer was transforming world shipping and global trade.**

Shipping has been fundamental to the movement of goods and people around the world. Without the ship, globalisation and the resulting advances in prosperity would never have occurred. Today 90 per cent of world trade

relies on international shipping. The world fleet comprises more than 50,000 merchant ships, registered in more than 150 nations, crewed by more than a million men and women of almost every nationality.

Shipping could not function without insurance. Ways of protecting valuable vessels and cargoes by transferring or sharing risk have been known since ancient times. Hull insurance was known to the Phoenicians, Greeks and Romans. The first statute dealing with the insurance of ships was recorded in Barcelona in 1434. The first marine insurers were established in Italy in the





seventeenth century. By 1700 the name of Lloyd's was already synonymous with the London marine insurance market. Lloyd's, with Royal Exchange Assurance and Royal London Assurance, dominated the market. It was resentment of this virtual monopoly among shipowners in English ports outside London which prompted them to form the first mutual hull insurance clubs through which they insured each other against loss.

The concept of mutuality, the sharing of common interests, was central to these clubs, their successors and those still flourishing today. It was a form of self-help dependent on trust and loyalty. As one of the Club's early managers, Kenneth Bilbrough, put it in 1903, 'The whole principle of Mutual Clubs is, if there is a loss all owners contribute, and if there is a gain all owners get the return'. It drew on the tradition of mutual assistance at sea when seafarers in distress relied on help from passing ships, even if owned by competitors. One rule common to almost all mutual marine insurance clubs, most of which were originally hull insurance clubs, was that Members should come to the aid of ships in distress belonging to fellow Members.

All these early English mutual clubs operated along similar lines. Every new Member was asked for a single payment, or entry call, with each paying the same rate. Calls provided working capital for the clubs which were not operated for profit and had minimal running costs. They were directed and managed by small committees of members which authorised the payment of claims.

The most successful clubs soon realised it was essential to select new Members with care. Most, however, did not. Too many had too high a proportion of Members who cared little for the condition of their ships. The worst owners ended up being subsidised by the best. When it became possible to set up commercial marine insurance companies after the Lloyd's monopoly was ended in 1824, many owners were attracted by their better management, better underwriting and better rates. By the 1850s this left a number of mutual clubs with otherwise uninsurable vessels, earning them the name of 'rust-bucket clubs'.

On the other hand, many of the new commercial marine insurance companies failed because they proved hopeless in assessing risk properly. At the same time new laws and regulations governing the carriage of goods and people at sea made many owners realise that they needed protecting against a wider range of risks. For instance, the standard hull and machinery insurance of the time only covered collision liabilities on the payment of an additional premium. In *De Vaux v Salvador* in 1836 the English court held in a case where no such additional premium had been paid, that hull underwriters were not liable for the payment of the liabilities of the insured owner if these were due to the owner's negligence. The owner's abortive argument was that collision liability came within the insured risk of 'perils of the sea'. As a result of this decision, policy terms were extended to cover a shipowner's liability but limited cover to 75 per cent in the case of collision. Shipowners turned to mutual clubs to insure the remaining 25 per cent.

Mutuality became fashionable once more, facilitated by subsequent legislation limiting the liability of all ships to £15 per ton, regardless of claim value, keeping exposure under control. With the implementation of legislation such as the Fatal Accidents Act of 1846, which allowed the relatives of those killed through acts of negligence to recover damages, the liabilities of employers increased, making insurance more important. So the first specialist protecting clubs appeared, often under the same management as existing clubs. 'Protection' covered areas such as personal injuries to crew and passengers; the cost of medical care, hospitals and repatriation; collision liability over and above that covered by hull and machinery insurance; and damage to fixed objects, such as docks and piers.

The risk that a club could be overwhelmed by one major catastrophe was alleviated in 1864 when what had been interpreted as a ban on re-insurance, in the Marine Act of 1745, introduced to prevent the use of insurance as a gambling instrument, was repealed. In 1875 the mutual clubs turned themselves into companies limited by guarantee as a result of a court decision which rendered their previous unincorporated status impracticable.

The growth of mutual marine insurance clubs and the expansion of the risks they covered reflected the rapid increase in the volume of maritime trade during the nineteenth century. This was made possible by the development of the metal screw steamer which became the world's standard ship. As ships carrying more cargo and more people became bigger, more

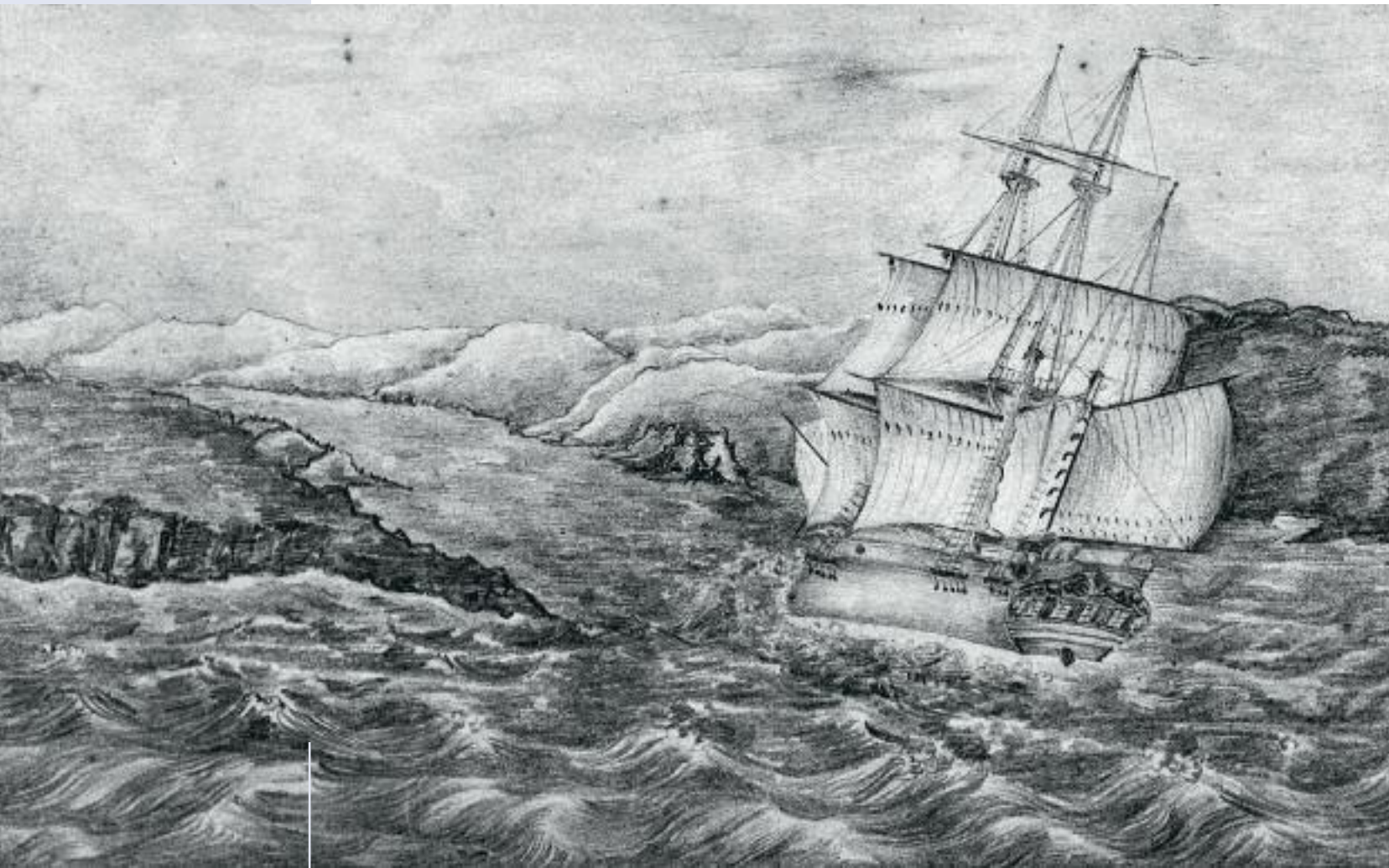
complex and more costly, marine insurance became more important and the mutual protecting clubs grew steadily.

Most of the clubs were British, reflecting the dominance of the British merchant navy. The first was The Shipowners' Mutual Protection Society, formed in 1855, followed by The North of England Iron Steam Ship Protecting Association in 1860 and the British Shipowners' Mutual Protection Association in 1865. The fourth was the London Steam Ship Owners' Mutual Insurance Protecting & Indemnity Association (the London Club) in 1866.

The man behind the London Club was Sir George Hodgkinson. Born in 1817, he had become a successful shipowner by the time he was in his early thirties. He owned a series of sailing ships carrying troops and emigrants to various outposts of the British Empire. In 1854, for instance, he chartered the 565-ton *Marchioness of Salisbury* to the Emigration Commissioners, which took 241 passengers to Geelong and Victoria in Australia. In the same year his ship *Lady Nugent* went down during a hurricane in the Bay of Bengal with the loss of 409 lives while carrying troop reinforcements to the war in Burma. Hodgkinson's work for the government also involved chartering vessels to carry allied troops during the war in the Crimea. But he also traded his vessels to India and China, such as the 1,000-ton *Stuart Wortley* which returned to the UK in June 1856 bearing tea and silks. One ship briefly owned by Hodgkinson, the *Edwin Fox*, survives to this day at Picton in New Zealand.







The Lady Nugent was one of several transport ships owned by Sir George Hodgkinson. This drawing depicts her nearing New Zealand carrying emigrants from the UK. She was lost in the Bay of Bengal carrying troops to Burma in 1854.  
Alexander Turnbull Library, Wellington, New Zealand. Ref: A-113-015.  
<http://natlib.govt.nz/records/22729307>

For a time Hodgkinson was in partnership with Sir John Pirie, the largest shipbroker in London, who was a strong supporter of the movement to colonise Australia. Like Pirie, he became involved with a number of enterprises in the new colony, including the Australian Mining Company, formed to take advantage of the first Australian Gold Rush.

During his early business career Hodgkinson's reputation seems to have come into question. An investigation into the Australian Mining

Company in 1851 raised certain unspecified allegations concerning the collapse of the share price which Hodgkinson vigorously denied. Two years later, a passenger sued him for refusing to return his deposit on a passage to Australia when the departure of Hodgkinson's vessel *Emily* was delayed eight weeks. The judge, finding for the plaintiff, was unimpressed with Hodgkinson's credibility as a witness.

None of this prevented him from achieving social success. He was Sheriff of London at the



Billiter Street, London, first home of the London Club.  
Guildhall Library & Art Gallery/Heritage Images/Getty Images

age of 33, when he gained his knighthood, became a magistrate in Westminster and was a deputy lieutenant for Middlesex.

Hodgkinson ran the London Club in partnership with William Baglehole. Baglehole had an interest in a number of business ventures in the City of London, including the importation of guano, a highly profitable natural fertiliser. He was also sufficiently involved in shipping to be part of the deputation of the Special Central Committee on Merchant Shipping which met

with Lord John Russell, then Foreign Secretary, in 1860 to discuss the state of the industry. In the following year, he was one of those behind one of the first war risk associations, set up in response to the possible impact of the American Civil War on British shipping. The British Shipowners' Mutual War Risk Association was formed at a meeting held in the Jamaica Coffee House in Cornhill.

In 1865 Hodgkinson and Baglehole came together to set up and manage two new





mutual clubs covering sailing ships. The British Shipowners' Marine Insurance Association and the British Shipowners' Mutual Protection Association were run from premises at 25 Billiter Street in the City of London. By now, however, steamships were having a dramatic impact on shipping. Towards the end of 1866 the partners responded to this trend by forming a club specifically to cover steamships, the London Steam Ship Owners' Mutual Protecting Association.



A London coffee room of the 1860s, similar to the Jamaica Coffee House (now Jamaica Wine House) in London's Cornhill, where George Hodgkinson formed the London Steam Shipowners' Mutual War Association in 1865.  
London Metropolitan Archives, City of London / Bridgeman Images

The Jamaica Coffee House (now Jamaica Wine House) in London's Cornhill, where The British Shipowners' Mutual War Risks Association was formed.  
© MS Bretherton / Alamy Stock Photo



Entered Ships: The Cornwall ran between Bristol and New York for the Great Western Steam Ship Company until she was sold in 1885.  
© Bristol Museum and Art Gallery, UK / Given by Sydney C. Floyd in memory of his father, Henry Joseph Floyd, 1934. / Bridgeman Images

# 1866-1890 2

Under Sir George Hodgkinson, the London Club grew steadily in size. Most owners were British but the Club was also developing links with overseas owners and covered a wide range of ships from the biggest transatlantic liners to small coasting vessels. As shipping became subject to growing regulation, there was a steady increase in the scale and scope of claims for personal injury and cargo damage. Following the example of other clubs, the London added an Indemnity Class in 1889. In the following year A Billbrough & Co was appointed to take over the Club's management on the retirement of Sir George's son, G L Hodgkinson.

In April 1867 Sir George Hodgkinson chaired a meeting under the auspices of the London Club

at the London Tavern in Bishopsgate. Among the guests were several Members of Parliament representing English ports, including Colonel Gourley from Sunderland and Samuel Graves from Liverpool, both shipowners themselves, and John Laird, the founder of the shipbuilding firm, who was MP for Birkenhead.

The representation of shipowners and shipbuilders in Parliament showed just how important the shipping industry was to the UK. By the mid-nineteenth century Britain dominated world trade to an extent that no other nation in any other era has ever rivalled. Shipping was vital. Britain became not only a major exporter of goods but also a major importer of raw materials. As the steamship became more efficient, it became cheaper and



cheaper to transport goods across the oceans, supported by an increasingly sophisticated international trading network. By 1900 freight rates were almost one-third less than they had been a century earlier. The tonnage of shipping clearing British ports rose from 18.5m tons in 1855 to 139m tons in 1914. By then British shipping carried almost all the seaborne trade within the British Empire, nearly two-thirds of trade between the Empire and other countries and almost one-third of trade between countries not forming part of the Empire.

For many years the London Club, covering steamships, was run alongside the British Shipowners' Association, covering sailing ships. The latter were still a significant part of the British merchant navy, accounting for 3.3m tons in 1886, but their importance steadily declined. By 1910 tonnage had fallen to 750,000 tons and the British Shipowners' Association did not survive the First World War.

As the steamship took over from the sailing ship, carrying more cargo and more passengers more frequently across the seas, shipowners faced a rising tide of regulation. At the meeting in the London Tavern Sir George Hodgkinson had raised a toast to the shipping industry. Pointing out the proliferation of rules and regulations governing the industry, he had also expressed his belief, according to the newspaper report of the gathering, that mutual clubs 'afford the best means of obtaining the removal or the mitigation of the disadvantages to which the trade was thus subjected'. 'The proceedings', said the paper, 'which were

conducted in the most friendly and unanimous spirit, terminated at a somewhat advanced hour of the evening.'

The early clubs were joined by the UK Mutual Steam Ship Assurance Association (1869), the Britannia Steamship Insurance Association (1871), the Sunderland Steamship Protecting & Indemnity Association (1879), the Liverpool & London Steamship P&I Association (1882), the Standard Steam Ship Owners' Protecting & Indemnity Association (1882), the Newcastle Protecting & Indemnity Association (1886) and the Neptune Protecting & Indemnity Association (1897). Overseas the Swedish Club was formed in 1872 and the Skuld Club was formed in Norway in 1897. The North of England Club had pioneered the first indemnity class in 1874. Most existing protecting clubs and all new clubs became protecting and indemnity (P&I) clubs. 'Indemnity' covered the liability of the shipowner for the loss, damage or short delivery of cargo.

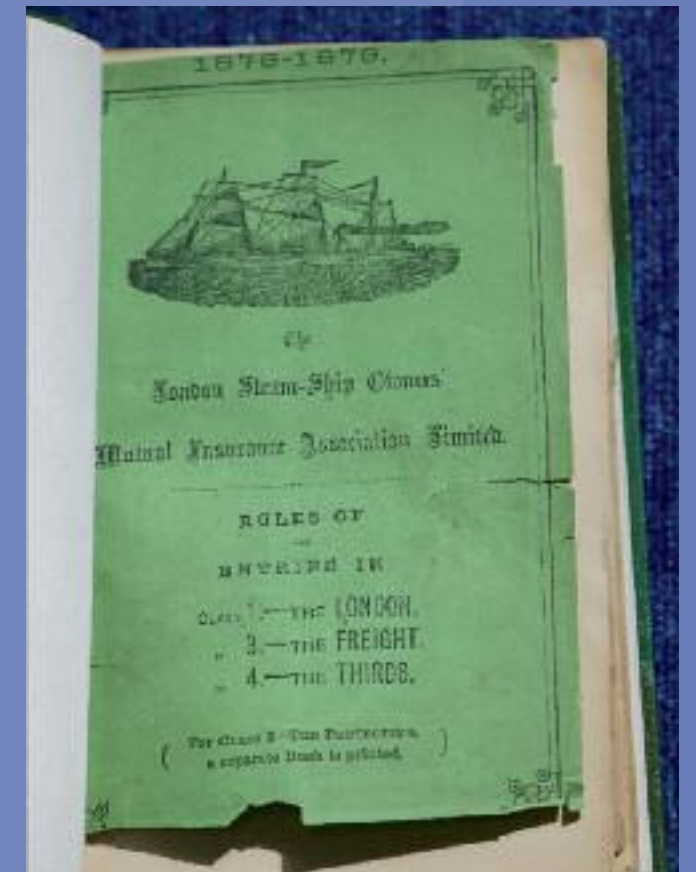
The London Club's surviving records date from 1876 following the incorporation of the Club as a company limited by guarantee. There were five classes of cover: Class 1 – The London; Class 2 – The Goods; Class 3 – The Freight; Class 4 – The Thirds; and Class 5 – The Protecting. By 1887 only two of these original classes remained, Class 1 and Class 5 while Class 6, the indemnity class, was added in 1889. The Rules of the various clubs differed little. The UK Mutual Steamship Association, for instance, founded in 1869, modelled its Rules on those of the North of England.



## Class 1 (The London) and Class 5 (The Protecting) Rules

The Rules for Class 1 specified that only seaworthy vessels approved by the Committee would be accepted. Cover for any one vessel was limited to £2,000. Cover included (Rule 5) 'perils of the seas, acts of God, [and] fire ... except risk taken by the Government under charter; pirates, barratry of masters and mariners, jettisons and damage done and received by collision, except loss of life or personal injury, at all times and in all places, with permission to tow and be towed'. Vessels engaging in trades judged to carry increased risk bore additional premiums. Under Rule 12, these were payable for steamers on direct voyages to the Baltic during the ice season between 1 October and 31 March; to the White Sea between 1 October and 20 May; to British North America and US ports north of and including Philadelphia and for ships on the US coasting trade north of and including Philadelphia from 1 October to 31 March. Shifting cargoes were also a hazard. Rule 14 covered the safe carriage of grain cargoes, particularly specifying that at least a quarter of the cargo be stored in bags or barrels and placed on top of the bulk cargo for voyages from any port in British North America and the US between 1 October and 31 March. Rule 15 prescribed the requirements for the safe carriage of ore.

Class 5 provided the owner with protection for loss of life or personal injury, loss or damage arising from collisions with other ships or fixed objects, and loss or damage to cargoes owned by him. (Class 6, conversely, indemnified the owner for loss or damage sustained by other cargo owners.) Members' liability was limited to 2,500 tons per ship in respect of tonnage entitling the Member to receive and make contributions.



The first printed copy of the Club Rules. Class 6 was added in 1889.

In 1878-79 all but a handful of the 559 steamships entered in the Club's Class 5 were still British-owned. The exceptions at this time were several vessels operated by the Quebec & Gulf Ports Steam Ship Company, two run by the Société Anonyme de Navigation Belge Américaine in Antwerp and one belonging to

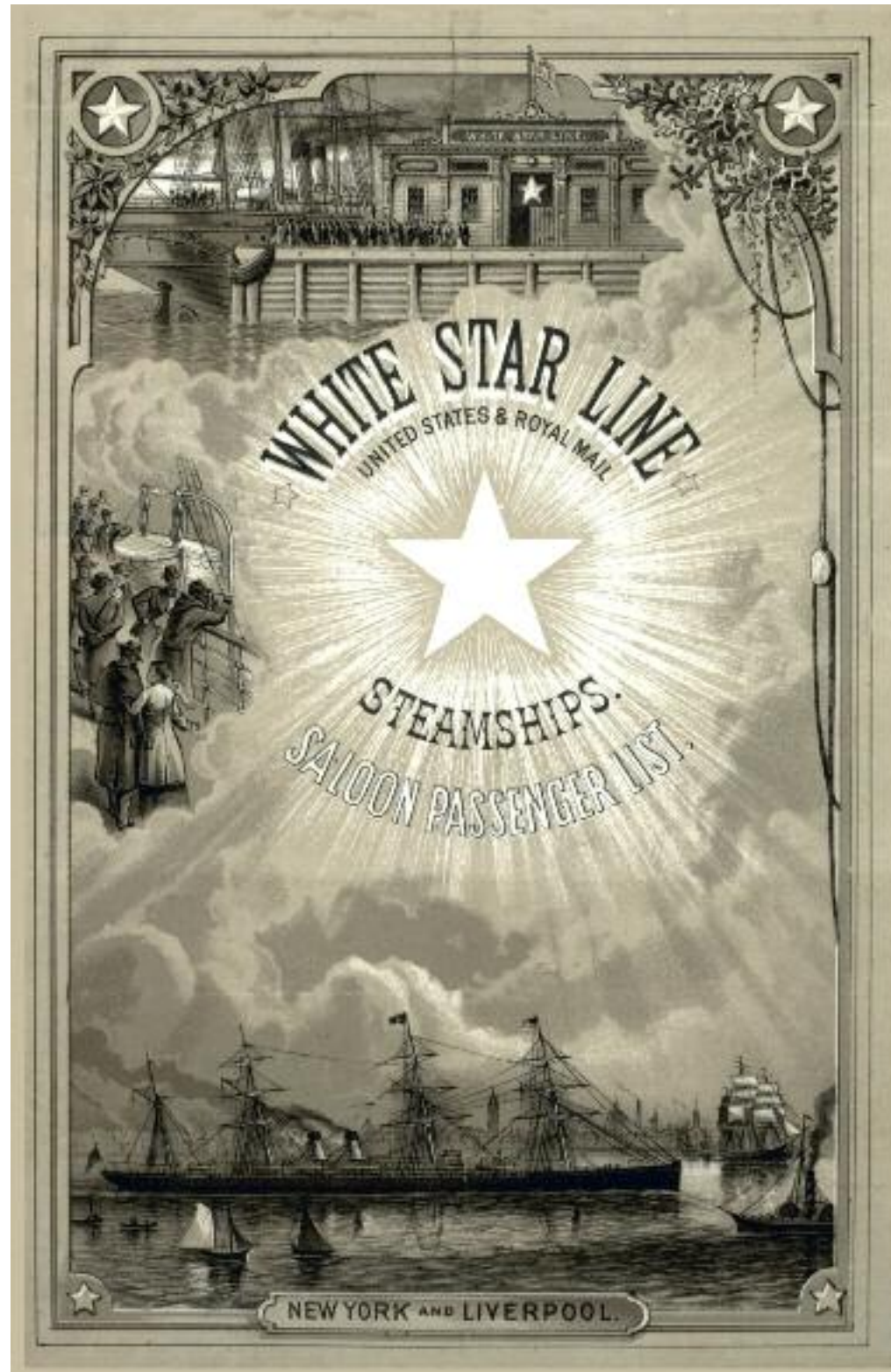
T C Engels, also in Antwerp. Three owners, George Gibson & Co, the British & Irish Steam Packet Company and Lambert Brothers, still had ships entered with the Club a century later.

At 1,130 gross registered tons (grt), the average size of the entered vessels was still small.





The White Star line of steamships, sailing between Liverpool and New York, had a number of vessels entered with the London Club at the end of the nineteenth century.  
© Mary Evans / The National Archives



The London Club covered several ships operated by the Great Eastern Railway between England and the Continent.  
Science & Society Picture Library / Getty Image

The largest was White Star's 5,008-grt transatlantic liner *Germanic*. Several passenger liner companies had ships entered with the Club. The Mississippi & Dominion Steamship Company, which sailed from Liverpool to North American ports such as Montreal, Quebec City, Halifax, Portland and Boston, would later become part of White Star. Others included Joseph Hoult & Co and T & J Harrison, also based in Liverpool. The Club also covered vessels run by several railway and ferry companies, such as the Sheffield & Lincolnshire Railway Company, the Great Eastern Railway and the Weymouth & Channel Islands Steam Packet Company.



Entered Ships: The *John Bowes* (1876), launched in 1852, lasted 81 years under various owners and flags. She was considered the first truly successful steam collier.  
Tyne & Wear Archives (DERIP12/114)

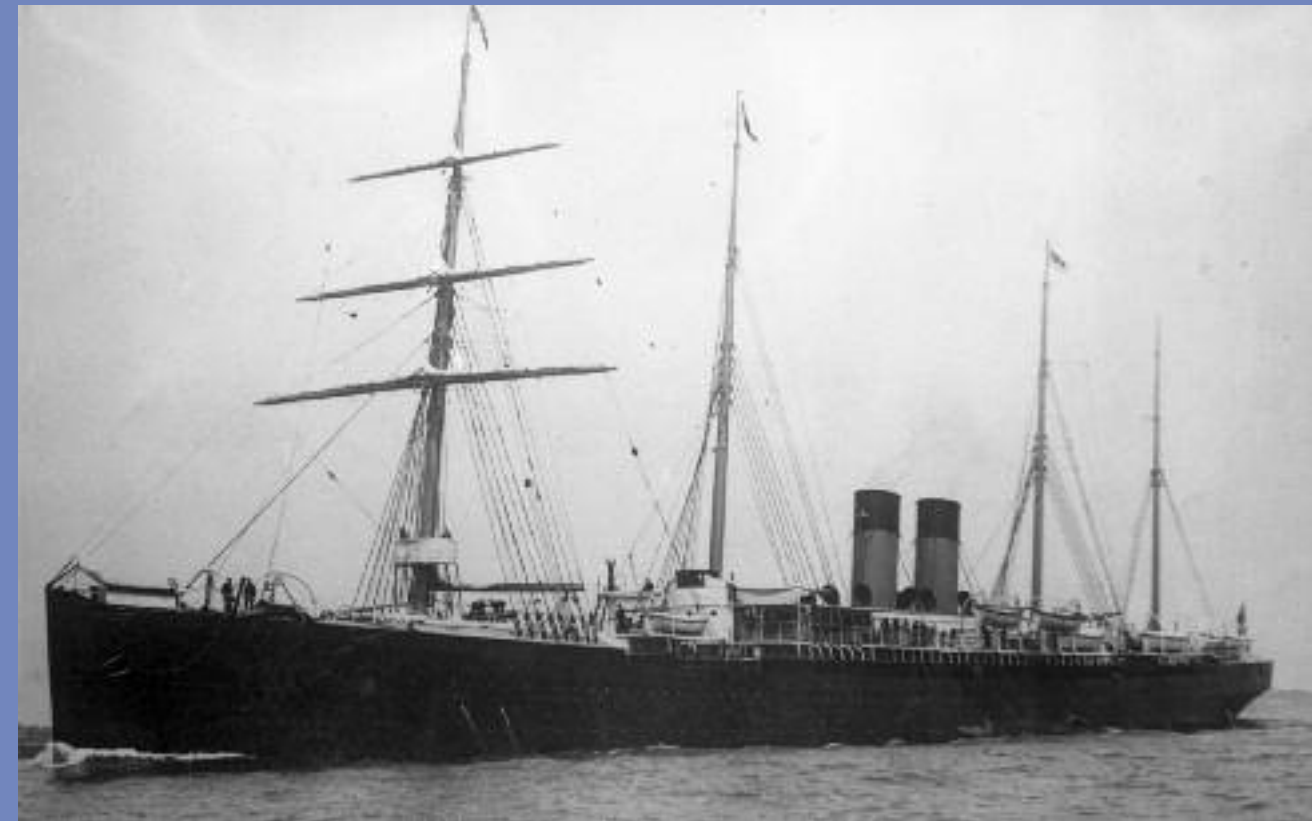




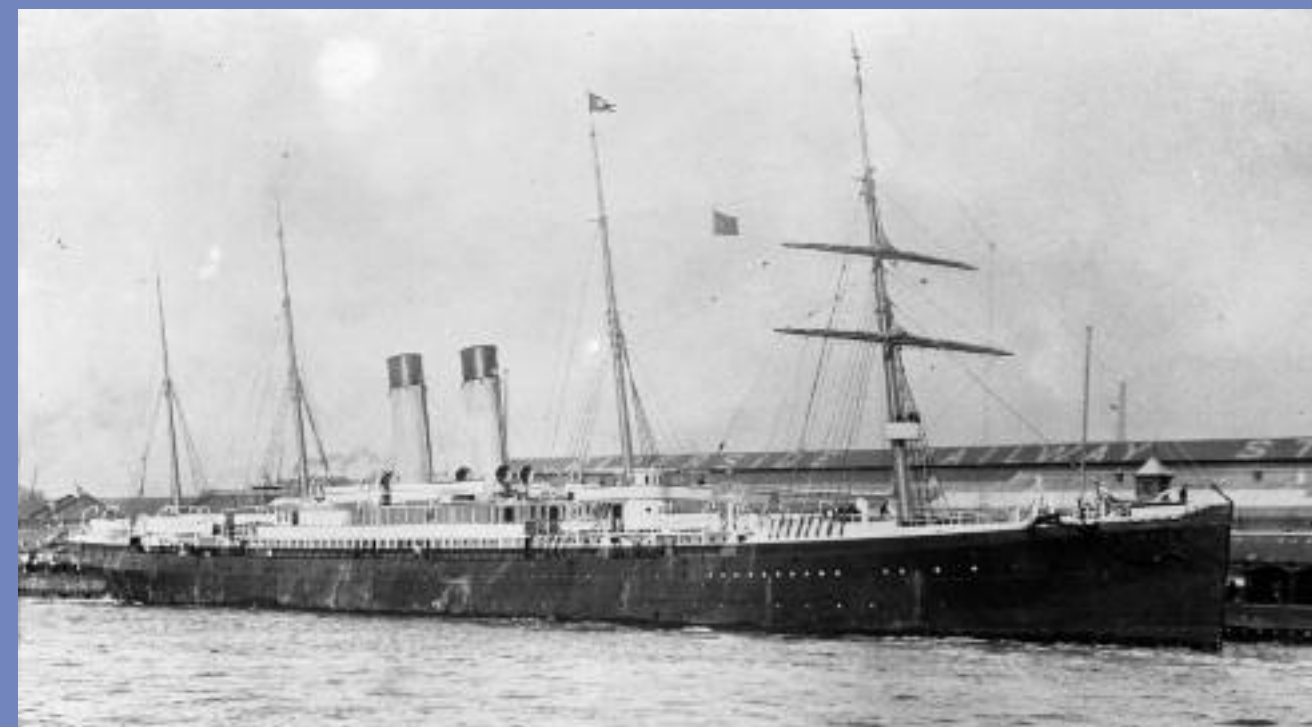
### SS Germanic

The largest ship entered in the London Club in 1878-79, the *Germanic*, was launched in 1874 and made her maiden voyage across the Atlantic in 1875. In the same year she won the prestigious Blue Riband for the fastest transatlantic crossing. Like a number of steamships at the time, she was equipped also with sails. For nearly 30 years she carried passengers, mainly emigrants, on the route from Liverpool to New York. In 1878-79 the London Club also covered her sister ships, the *Adriatic*, *Belgic*, *Britannic*, *Celtic*, *Gaelic* and *Oceanic*. The *Adriatic* and the *Britannic* were the largest ships in the world when they were launched.

Entered Ships: The *Oceanic* entered service as White Star's first passenger liner in 1871.  
© National Museums Northern Ireland. Collection Ulster Folk & Transport Museum



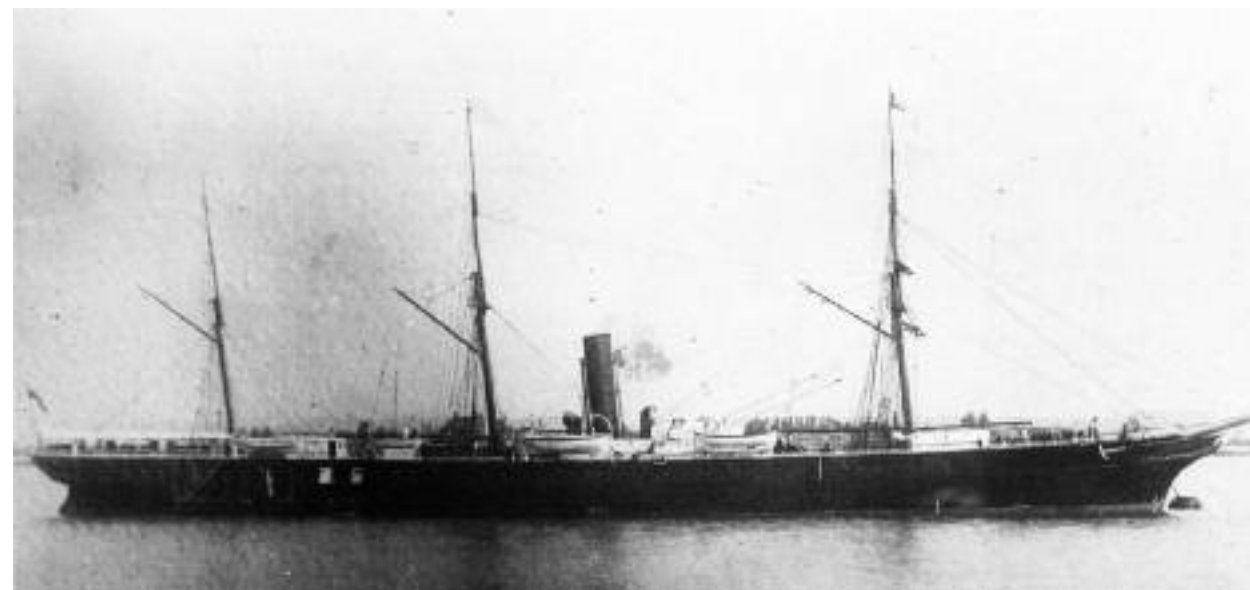
Entered Ships: The *Britannic* and *Germanic* were sister ships, twin-funneled steamships with sails, on the transatlantic run. In 1876 the *Britannic* gained the Blue Riband for the fastest run both eastbound and westbound.  
World Ship Society Photo Library





By 1889-90 the Club insured fewer vessels (306) but their average size was bigger, a trend which, with few interruptions, would last nearly a century. Among the largest at this time were ships such as the *Alaska* (6,932 grt) and *Arizona* (5,164 grt), probably the most outstanding vessels produced by Sir William Pearce's Govan shipyard on the Clyde; and three liners, the

*Austral* (5,589 grt), *Orient* (5,385 grt) and *Ormuz* (6,117 grt), running between the UK and Australia for the Orient Line. On the other hand, the smallest ships included James Fisher's coastal steamer *Sea Fisher* of just 275 grt. As for overseas interests, Quebec & Gulf and Belge Américaine were joined by owners from France, the Netherlands and Germany.



Entered Ships: The *Austral* was built in 1881 for the Orient Line, another of the many transatlantic liners covered by the London Club in its early years. *British Mercantile Marine Memorial Collection*

Entered Ships: The *Chimborazo*, launched in 1871 and named after a dormant Chilean volcano, ran between Liverpool and Valparaiso for Orient Steam Navigation. *World Ship Society Photo Library*

## SS Arizona and SS Alaska

In 1889-90 these ships were not only among the largest entered in the London Club; they were also among the largest vessels afloat. The *Arizona*, operated by the Guion Line on the Liverpool to New York route from 1879, was the original crack express transatlantic liner. The Line wanted express liners to compete for first-class passengers against Cunard, Inman and White Star.

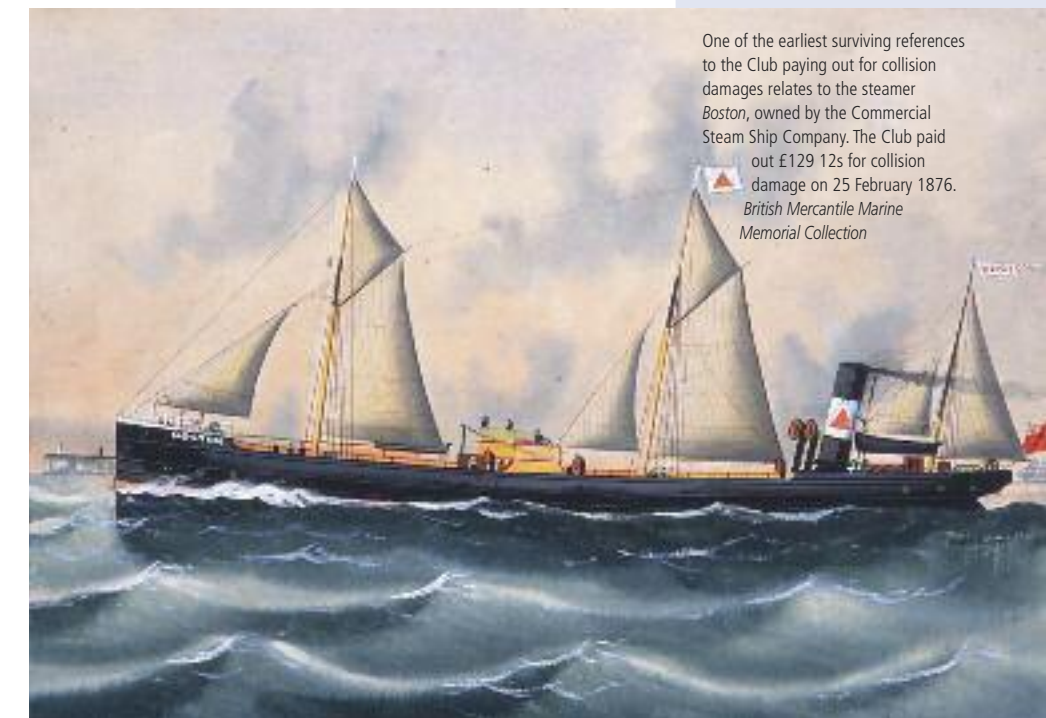


Having failed with two prototype express liners, they accepted the design proposed by Sir William Pearce, which sacrificed everything for speed, including comfort. They were surpassed by Inman Line's *City of New York*, the first twin-screw express liner, launched in 1888.

Entered Ships: Guion Line's *Alaska*, built in 1881, was one of the fastest transatlantic liners of her day but sacrificed comfort for speed. *World Ship Society Photo Library*

The Club's managers reported to the Club Committee. In 1878-79 there were just three Committee members: George Munro, the chairman, of G L Munro & Co; J S Hill of John Young, Ehlers & Co; and E H Watts of Watts, Milburn & Co. A fourth member was added in the following year and by 1890 the Committee was six-strong.

For many years the Committee met weekly to decide on claims, most of which they passed. Early on most of the claims related to collision or damage to third-party property, with a handful relating to cargo damage, crew sickness, loss of life or personal injury. By the late 1880s, however, claims for loss or damage to cargo were becoming much more frequent.



One of the earliest surviving references to the Club paying out for collision damages relates to the steamer *Boston*, owned by the Commercial Steam Ship Company. The Club paid out £129 12s for collision damage on 25 February 1876. *British Mercantile Marine Memorial Collection*





### The loss of the SS Ludworth (1878)

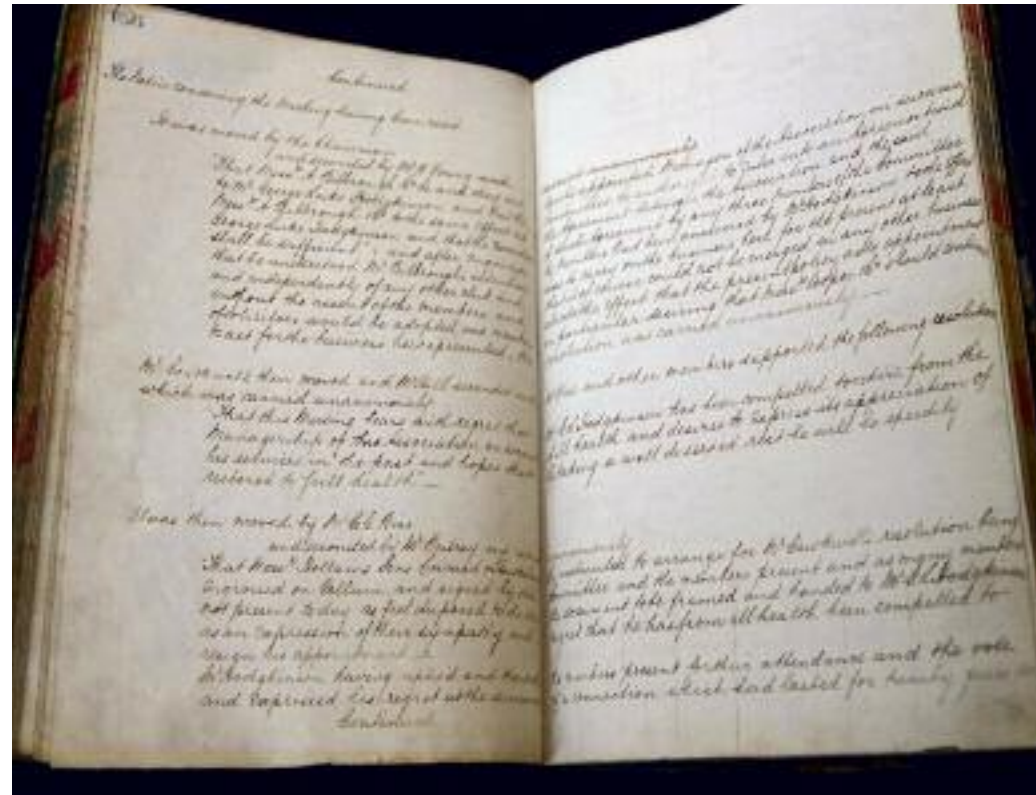
This was the first claim involving loss of life to be recorded in the Club's surviving minute books. The Ludworth was a small 447-grt sail-assisted steamer built in 1866. On 17 February 1878 she left Hartlepool in ballast for London with 14 crew. Off Harwich, near the Bawdsey Buoy, she collided in thick fog at full speed with the steamship *C M Palmer* which was bound for Newcastle. Fourteen crew and passengers from the *C M Palmer* were lost. The Wreck Commissioners held the master of the *Ludworth*, Robert Meldrum, to blame and suspended his certificate for six months. The Commissioners observed that 'here we have a vessel capable of being navigated at 11 knots ... with a master holding only a certificate of service as a mate, the chief officer without any certificate at all and the chief engineer without any certificate at all; neither the master nor the mate see to the look-out being properly placed; and the engineer, according to his own account, takes it on himself and without any order from either the master or the officer in charge to reduce the speed of the vessel to half speed when all the time the telegraph is pointing to full speed. Such a state of things seems to us utterly inconceivable. Everything, we think, shows that the management of this vessel was what it ought not to have been'. The Club passed claims under Class 5 for £1,450 and £914 5s 3d.



Arthur Bilbrough with his sons Harold (later Bishop of Newcastle) and Kenneth.

# 1890-1914 3

In March 1886 Sir George Hodgkinson died in Bournemouth. He was still the senior manager of the London Club in partnership with his son, also George. The younger George took over as sole manager but, in failing health, he decided to retire from the business in 1890. He died 13 years later at the age of 46. In December 1890, A Bilbrough & Co were appointed as managers for both the London Club and British Shipowners'. At the time the London Club covered 394 ships totalling 329,814 grt.



The minute recording the change in management to A Bilbrough & Co in 1890.

**Ships entered in the London Club during this period reflected an era of innovation with the appearance of the first tankers and refrigerated cargo vessels. The mainstay of the merchant marine, the cargo steamer, was well represented in the Club. Alongside its mainly British-owned tonnage, the Club developed strong links with US shipping. The Club was one of the original members of the London Group, the forerunner of the International Group of P&I Clubs. As international tensions increased, the Club added a War Risks Class in 1912. By then the Club was covering a million tons of shipping.**

Arthur Bilbrough had been involved in shipping since finishing his apprenticeship with a

Liverpool shipowner. He became a partner in a firm which began in shipbroking and expanded into shipowning, marine insurance and management. In 1879 the firm became known as A Bilbrough & Co. Incorporated in 1911, the company remained a family business until the retirement of Arthur's son, Kenneth, in 1940. By then Bilbrough had managed the London Club for half a century.

It was common for the clubs to remain in the hands of the same managing firm for generations. The UK Mutual, for instance, was run by Thomas Miller and his family from 1885 until 1971. Miller was also Secretary of the North of England for many years and became known as 'The King of Clubs'.





Entered Ships: The Clydeside-built *Thistle* was the first of Laird Line's ships, carrying goods and passengers across the Irish Sea.



Entered Ships: The Nelson Line's *Highland Scot* and *Highland Hope* were among several of the Line's vessels entered with the Club before 1914. World Ship Society Photo Library



## A Bilbrough & Co

Arthur Bilbrough was born in Leeds in 1840. In 1862, after completing his apprenticeship, he became a partner in a firm of London shipbrokers, which became known as Wilson Bilbrough in 1863. In 1870 Arthur's brother James, an insurance broker, joined the firm, which entered the marine insurance market. In 1871, when George Smith became a partner, the firm changed its name to Smith Bilbrough. In the same year Arthur Bilbrough acquired his first ships, four clippers engaged in the Australian and American trades. In 1872 the firm took over another shipbroker in Newcastle and a separate shipowning enterprise was opened in Liverpool. An office was also later opened in Cardiff. When George Smith left the partnership in 1879, Arthur Bilbrough set up a new firm in his own name as A Bilbrough & Co. Smith Bilbrough continued in business as an independent insurance broker and today still arranges some reinsurances for the London Club. Arthur's own experience in insurance was growing. He founded the New Mutual Marine Insurance Association in 1880 and became a member of Lloyd's in 1883. In 1885 he also set up the Empire War Risk Assurance Association. Bilbrough's shipping interests grew steadily and by 1909 comprised a controlling interest in 34 sailing ships. The firm moved to offices at 23 Rood Lane, London, where it would remain until 1930.

Under Bilbrough's management, the London Club continued to cover a wide variety of ships, ranging from small coasters of less than a thousand tons (such as the 453-grt steamer *Dunara Castle*, owned by Martin Orme & Co, Glasgow, entered in 1903) to ocean steamships of several thousand tons (such as the 7,500-grt *Highland Laddie*, owned by the Nelson Line, sailing to the River Plate).

This was a time of innovation in shipping, demonstrating the flexibility of the metal screw steamer. During the 1880s ships began carrying regular cargoes of refrigerated meat, matching the surpluses of the southern hemisphere with the demand of growing populations in the northern hemisphere. Refrigeration was steadily extended to other produce, from dairy goods to fruit, eggs and shellfish. In 1891 the London Club considered a contract for the carriage of frozen meat by one owner. Noting that the North of England Club had inspected and

approved 'the refrigerating apparatus', the Committee agreed 'to follow the North of England'.

Following the sinking of the first oil well in 1859, the petroleum oil industry quickly gave rise to a major new trade. For most of the century oil was shipped in parcels of small casks or tins, with the 40-gallon cask eventually giving way to the four-gallon square tin, but in 1886 the prototype of the modern bulk oil tanker, the *Gluckauf*, was launched. Another pioneering tanker was the Shell Transport & Trading Company's *Murex*, launched in 1892, which became the first oil tanker to sail through the Suez Canal. She was offered for entry to the London Club in 1892 but the Committee had no experience of such a relatively new trade and declined to accept the risk on what the minutes described as Shell's 'oil boat'. The Club only began accepting tankers two years later.



Entered Ships: The *Murex* was built for Shell Transport & Trading and was the first oil tanker to pass laden through the Suez Canal. British Mercantile Marine Memorial Collection



Entered Ships: *The Craigvar* was typical of the vessels covered by the Club in the years before 1914.  
North Ayrshire Heritage Centre (DSCF1451)



### SS Craigvar and SS Shimosa (1906)

The *Craigvar*, belonging to the West of Scotland Steam Ship Company, and the *Shimosa*, belonging to the New York & Oriental Steam Ship Company, were typical of the vessels covered by the Club at this time. A typical voyage for the *Craigvar* ran from New York to Australia, calling at Fremantle, Melbourne, Sydney and Brisbane. She was laden with boots, staves, machinery, axes, tobacco, electric fans, relish and confectionery, soap, toys, rubber shoes, boot polish, hoop iron, phonographs, underwear and hoe handles. The *Shimosa* sailed fully laden from New York, calling on Singapore, Manila, Hong Kong, Kobe and Yokohama. Among her cargoes were oil, lamps, shoes, hats, shirts, medicine, postcards, wax, blacking, rosin, tinned beef, atomisers, glass, chains, horse nails, switches and bells, tooth powder, soap, nuts and drills, wrenches and files, can-openers and phonograph records. They both showed just how much the metal screw steamer had become the workhorse of international maritime trade. The variety of goods they carried, and the number of ports they called at, make it unsurprising that these vessels appeared before the Committee with several claims for cargo damage and short delivery.

With the British merchant marine at its zenith, most vessels in the Club continued to be British, belonging, for instance, to James Knott's Prince Line, Walter Runciman & Co, James Fisher & Sons, Christian Salvesen, Leyland Shipping and John Cory & Sons. In 1908 the Club covered 550 UK-owned ships totalling almost a million tons, further evidence that ships were becoming larger.

In the early 1900s the Club, under Kenneth Bilbrough's management, was competing aggressively for business. Bilbrough was playing a more prominent role in the business as his father stepped back and spent more time on external interests. In 1901 the firm wrote to all its branches, asking for good terms to be maintained with all local shipbuilders so they got to hear quickly about any new orders being placed. 'If we are in possession of this in good time, we may be able to arrange with the owners for their Protection & Indemnity business.'

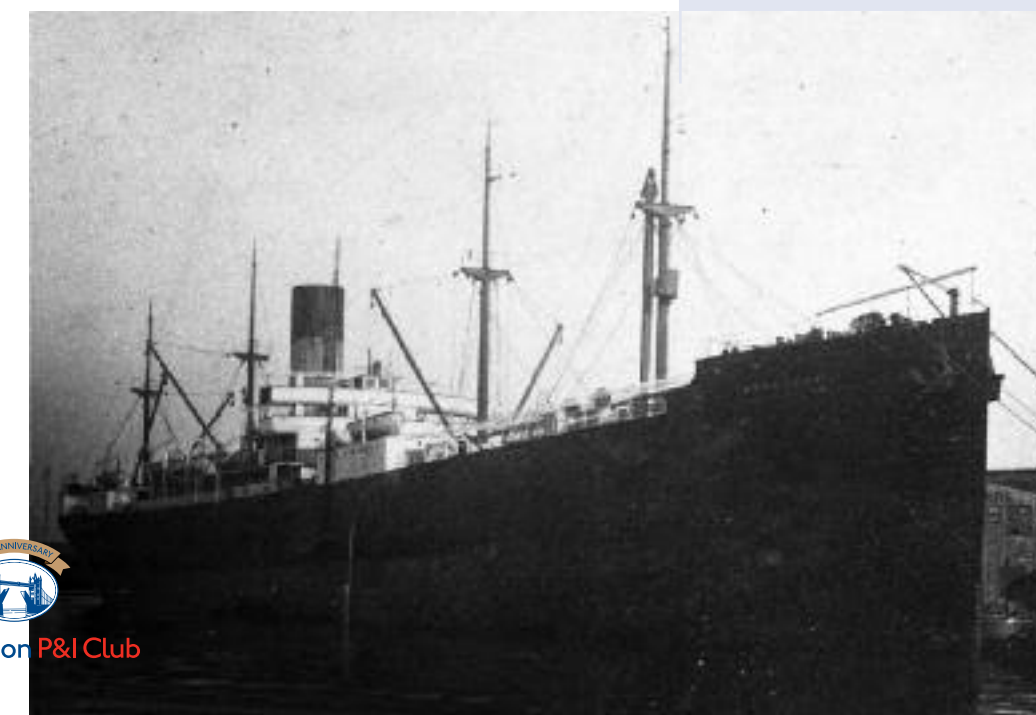
Writing to T B Royden, whose firm ran the Indra Line, in the same year, Bilbrough said he had heard Royden had ordered three new steamships. He asked whether he could persuade Royden 'to give us some of the Protection & Indemnity on these? If you remember, you said you were not in any way bound to the North of England, nor, for the matter of that, to the United Kingdom [Club]. But if you could not give the whole tonnage, could you not give us the proportion that you might otherwise give to the North of England?' Bilbrough, educated at Winchester, was not



Sir John Cory was one of the UK's many successful shipping magnates. He became a member of the Club Committee in 1893.  
© Illustrated London News Ltd / Mary Evans

averse to using the old boys' network to win business, telling Royden, 'Now you know there is an old Wykehamist in the firm, I have no doubt that you will endeavour to do your best to give him a turn.' Bilbrough's efforts paid off. Royden entered several ships over the years, including nine from the Indra Line in 1913-14. One of them, the 10,286-grt *Indrapura*, was the largest in the Club.

*Indrapura* was the biggest ship in the Club at 10,286 gross tons.  
World Ship Society Photo Library







Sir James Knott was an outstanding shipowner, one of the richest men in the UK, and a member of the Club Committee from 1893 to 1910. Courtesy of Samarès Manor

At the same time Bilbrough was seeking more tonnage from James Knott, one of the country's leading shipowners. He had founded the Prince Line in 1881. At its peak before the First World War the Line operated 45 ships carrying passengers and goods all over the world. Shipping made Knott rich but he was a generous benefactor during his lifetime and after his death the bulk of his £5 million fortune was left in trust for good causes, many of them in his native north-east. He first entered ships with the London Club during the 1880s and joined the Committee in 1893. Like many

substantial owners, he split his ships across several clubs. In 1901 his tonnage was divided between the UK Club (46,000 grt), the London (22,000 grt) and the North of England (11,000 grt). Bilbrough wanted more. He tried to persuade Knott by highlighting the Club's good claims record in recent years. 'No doubt we are benefiting by the improved condition of the Club in two respects, firstly in its largely increased Capital, and secondly by the much improved quality of the tonnage, we having got rid of a very large tonnage of boats which we have found from experience were very costly'. Weeding out poorly maintained or managed ships was a policy pursued consistently by the Club. On this occasion, however, Knott rejected Bilbrough's overture.

The Club found itself under unusual competitive pressure in some markets as overseas entries continued to grow. In 1891 the Committee recorded that 'The question of allowance on foreign entries was considered and it was agreed to allow Norwegian and Danish ships a deduction of 50% from Protection Entries and 10% from Indemnity Entries and to allow Swedish ships a deduction of 30% from Protection Entries and 10% from Indemnity Entries on policies warranting the Club's exemption from claims covered by their ordinary Insurance policies.' (Even today Scandinavian hull insurers cover all of the collision risks, allowing P&I Clubs to offer clients corresponding discounts.) When the Skuld P&I Club was founded in Oslo in 1897, the London Club accepted re-insurance business from it, beginning a relationship that lasted until 1982.



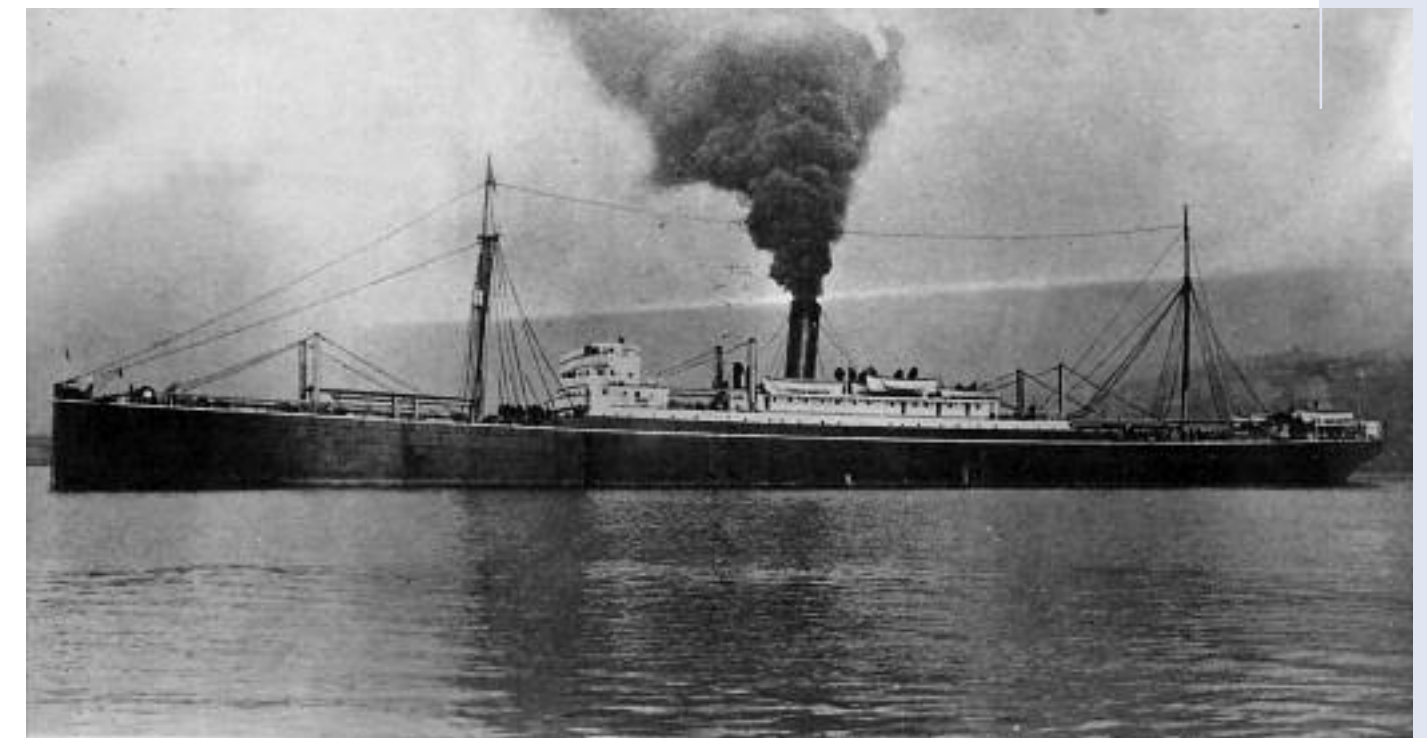
By the early 1900s several French shipping companies were entering ships in the Club, such as the Société de l'Aquitaine, based in Rouen, and the Extrême Orient Société Française de Navigation from Paris. There were three Canadian and three Dutch shipowners and one each from Denmark, Italy and South Africa.

It was in France, as a result of rising claims occurring there from ships of all flags, that the Club appointed its first overseas correspondents. In 1903 Kenneth Bilbrough wrote that 'our Protection & Indemnity business in different ports in France has grown so large that we are obliged to have representatives to look after it in various ports'.

The biggest concentration of overseas owners in the Club before 1914 came from the United

States. In 1904 the Club had entries from 14 US shipping companies. All from the eastern seaboard, they included the American-Hawaiian Steamship Company, formed in 1899 to ship sugar from Hawaii to eastern US ports. The company's *Alaskan* and *Arizonan* (both 8,671 grt) were among the five largest vessels entered with the Club. The two biggest belonged to the Boston Steam Ship Company. The *Shawmut* and the *Tremont* (both 9,606 grt) carried goods back from China, Japan and the Philippines.

In 1910 (by which date only Classes 5 and 6 were in operation) the Club began insuring US shipping on the Great Lakes. This business was accepted three years after it had first been offered to the London Club through Johnson & Higgins, one of the leading marine insurance brokers based in New York.



Entered Ships: The Boston Steam Ship Company's *Shawmut* was one of the largest ships in Club in the early 1900s at a little less than 10,000 gross tons. Renamed the *Ancon*, she was the first ship through the Panama Canal in 1914. World Ship Society Photo Library





By 1913-14 the Club's American entries included ships from firms on the western seaboard, such as the Alaska-Pacific Steam Ship Company and the Atlantic Coast Lumber Corporation from Seattle, and the Robert Dollar Company and the Associated Oil Company from San Francisco. The Dollar Company would remain an important Member of the Club until the Second World War. Robert Dollar was a major figure in the US merchant marine. When he died, it was said that he had done more than any other American to spread the US flag across the oceans.

When Bilbrough took over management of the Club, the total claims of £24,000 paid out in 1890 were split between collisions (53 per cent), loss of life, injury and illness (17 per cent) and cargo damage or shortages (12 per cent).

One of the more serious collisions which came before the Committee was that between the steamer *Boston* with the barque *Charlwood*. It was another instance of a vessel going too fast in thick fog and causing loss of life. Fifteen crew and passengers on the *Charlwood* died in the incident. The Committee approved payment of £600, the maximum sum payable by law. The official inquiry later held the *Boston* entirely to blame.

With collision claims making up more than half of all claims settled by the Club, there was concern about how a major claim would affect the Club's finances. This was a question that troubled all the clubs and one that became increasingly serious as ships became ever larger. In April 1899 this shared concern led six of the

clubs (the UK, Britannia, Standard, London, Newcastle and Sunderland) to sign the first ever pooling agreement. The clubs agreed to share the cost of major claims over and above a set figure according to each club's proportion of the group's aggregate tonnage.

As more nations introduced legislation to regulate shipping, these clubs began meeting together regularly as the London Group of Clubs to discuss matters of mutual interest. This was the origin of today's International Group of P&I Clubs.

In particular, countries enacted laws increasing and broadening the liability of shipowners for personal injuries. There had been a strong case for change. In the UK during the 1890s, for instance, shipowners became liable for the maintenance and repatriation of sick or injured seamen. As one historical study later observed, 'Until then, they had usually been left on the beach, at the responsibility of the nearest British consul, if he ever heard of their plight'. The implications for the cost of insurance concerned the Club, however, as illustrated in a circular of 1902, which noted that 'the tendency of present-day legislation seems to be very much one way against Shipowners. Amongst recent additions to Shipowners' liability is the cost of repatriation which often totals up to several hundred pounds'. That sentiment still persists in the face of relentless increases in the imposition of liabilities on shipowners.

In some parts of the world personal injury legislation encouraged port workers to lodge

exaggerated claims. The worst offenders were longshoremen in US ports who could often rely on sympathetic local juries. By the early 1900s cases involving injury to US longshoremen resulting in compensation regardless of responsibility were already common. In one case from June 1906, for example, Johnson & Higgins argued that although the injuries involved came from the negligence of the longshoreman himself, the Club should settle out of court, which was likely to be a much cheaper option than bringing the case before a jury. Such cases remained common for nearly a century and are only becoming less frequent today.

The Club was also concerned about the costs arising from engaging inadequate crew. To try to keep down the cost of claims, it began issuing advice to Members through circulars on this and other matters. In 1907, for instance, one circular urged owners to engage crew only through the Registry Offices of the Shipping Federation, since this guaranteed all officers and crew were medically examined before being taken on. It pointed out how significant costs had arisen in the past as a result of owners employing men who later proved incapable.

The Club was also alarmed at the rising volume of cargo claims. Once again the finger was pointed at US ports, particularly those on the western seaboard where, it was said in 1905, cargo owners had gained 'an unenviable notoriety' for making claims on the slightest pretext. Matters were not helped when in many cases the ship's agents were also the cargo owners. 'Freight is withheld and the Owner has

the choice of a settlement upon onerous terms or the inconvenience of long and expensive litigation.' In January 1913 a joint circular issued by nine clubs, including the London, reported on the findings of an investigation into a rash of claims for short delivery of cargoes in Calcutta. It concluded that 'it is abundantly clear that the tally hitherto taken by shipowners is for all practical purposes worse than useless' and urged owners to adopt the more superior system developed by the local chamber of commerce.

Shipowners were finding plenty of other examples of overseas jurisdictions where they struggled to win a fair hearing. In 1906 the *Clodmoor*, a vessel of the Moor Line, part of Walter Runciman's shipping empire, collided with another vessel on entering the harbour at Buenos Aires. The other vessel was held to be at fault by the local Lloyd's Agents but, observed the Club's Committee, 'owing to witnesses and local influence' there was no chance of a court decision being given in favour of the *Clodmoor*. A compromise was agreed to avoid heavy local costs. In 1910 Members were warned that infringement of a new law restricting the Argentine coasting trade to local vessels could lead to the confiscation of both ship and cargo. 'Local influence' was another feature of the business that continues today, adding to the costs faced by the P&I industry.

After decades of unrestricted immigration, some countries were beginning to take a stricter approach, with an inevitable impact on shipowners as the carriers of the vast majority of immigrants. In May 1906, for instance, one of





James Knott's ships, *Sicilian Prince*, was fined \$100 for each of two Italian immigrants landed at New York suffering from a contagious infection. At an exchange rate of \$4.86 to £1, this totalled £41 3s 1d, of which half was approved by the Committee for reimbursement, being the sum equal to the proportion of the vessel's tonnage entered in Class 6 (Indemnity). In 1910 another circular asked that 'the attention of members who employ coloured firemen and seamen is drawn to the heavy Fines which the Immigration Authorities of Australasia, the United States and Canada impose when coloured men and undesirable aliens generally are allowed to get ashore.' In October 1913 a circular advised that Australian immigration legislation compelled 'coloured members of crews in cases where the crews

consist wholly or partly of Chinese' to carry identification cards.

International politics also affected shipping. In 1912 growing political tension between the major European powers prompted the Club to form a War Risks Association as Class 7 to cover damage to and loss of Members' ships in the event of and resulting from an outbreak of war. In 1913 the unsettled state of affairs in the Bosphorus and Dardanelles, as well as the war between Bulgaria and Greece, made it necessary to impose extra premiums on vessels sailing beyond Malta. An even greater upheaval would come in the following year with the advent of the conflict that became known as The Great War.



Entered Ships: The small cargo steamer *Middleham Castle* was seriously damaged in the massive explosion at Halifax, Nova Scotia, on 6 December 1917. *British Mercantile Marine Memorial Collection*

# 1914-1945 4

**The Club suffered a decline in tonnage during the First World War as well as in the long trade depression that followed it and owners struggled to meet their calls. British shipping was waning even though it remained the world's largest merchant fleet. New entries came from owners in countries like Greece, while US ships made up a major part of the Club's inter-war tonnage. Cargo claims and others resulting from personal injury and sickness predominated. Despite the loss of ships during the Second World War, the size of the Club increased slightly. In 1945 the majority of the membership was still drawn from the UK.**

The London Club's War Risks Association, like those formed by other clubs, fully covered

Members' vessels' hulls in conflicts only concerning nations other than their own. When war was declared by the British government on 4 August 1914, British ships found they were insured only until they reached a neutral port and for 30 days afterwards. To make sure British ships were covered until they had completed their voyages and returned to the UK, the British government introduced a state-funded scheme, managed by the clubs. On the day after war broke out, the London Club Committee met to ratify the decision by the London Group to accept the government scheme. As more ships were lost through enemy action, the government undertook to cover 80 per cent of the liabilities resulting from what were then known as 'King's Enemy Risks' and are still known today as 'Queen's Enemy Risks'. As the





Entered Ships: The cargo steamer *Hogarth*, built in 1893, belonged to Aberdeen Steam Navigation. She was sunk by torpedo in 1918. Image courtesy of Aberdeen Art Gallery & Museums Collections



London Club's Annual Report for 1914-15 observed, the scheme 'was not perfect, but it has proved of incalculable value to the Country, enabling Shipowners to carry on their business, so far as insurance is concerned, throughout the War'.

But government valuations for lost shipping were based on an inflexible formula which refused to recognise the soaring value of ships as they became much more scarce. This left vessels under-insured and their owners reluctant for them to leave port. To allow ships to carry on trading, the clubs agreed to insure the excess value which meant they bore a much greater share of the liabilities. It was only as losses continued to rise that the government agreed from 17 August 1917 to take responsibility for the whole of the values.

The Committee did not hesitate to strike off Members for collaborating with the enemy even when the vessel flew the flag of a non-combatant nation. When the Club heard that the New York and Porto Rico Steam Ship Company had chartered two steamers to the Hamburg America Line on 3 August 1914 'for the purpose of following and coaling German

men of war', the Committee agreed that all the company's entries should be regarded as cancelled from that date onwards.

From the moment war broke out, the Committee was eager to vary the Rules to help Members. Reasonable expenses were allowed to owners whose ships were trapped in the Baltic and other ports. All the clubs had adopted the government's suggestion that dependent families of crew serving on captured or detained ships should be granted allowances, split 80:20 between the state and the clubs. The amount was limited to half wages or a pound a week, whichever was the lowest.

Later in the war the clubs pressed the government to increase compensation for relatives of crews captured and imprisoned in Germany. In 1917 the government agreed to compensate the relatives of interned merchant officers and pay for their repatriation but it also suggested contributions should come from shipowners themselves, many of whom had long since stopped paying anything to captured officers and crew. The London Club backed the suggestion from the West of England Club that the clubs should make payments on behalf of owners. The sums paid by the London Club were based on existing crew allowances. The cost, reported the managers, would be around £20,000 a year, 'not a very serious matter', and would 'not merely meet the requirements of the unfortunate prisoners but also the wishes of the Government and at the same time enhance the reputation of Owners generally both with the Government and the public'. At the end of



## Correspondents

No P&I club can now operate without a worldwide network of correspondents to represent the interests of its Members. The London Club first published a list of correspondents in 1916-17. A hundred ports were listed. Given the extent of the Club's US tonnage, ports there were well represented, including Baltimore, Mobile, New York, Portland and San Francisco. So too were ports where the British were influential, including Alexandria, Bombay, Cape Town, Hong Kong, Melbourne and Vancouver. Japan was covered by correspondents in Kobe and Shimonoseki. There were correspondents in Buenos Aires and Havana, Archangel and Odessa, Stockholm and Piraeus. Lesser known ports included two in Romania, Galatz and Ibrail, both on the Danube; Delagoa Bay in Mozambique, then a Portuguese colony; and Windau in Latvia.

the war all the clubs agreed that full wages should be paid to the interned officers and crews of seized vessels from the day war was declared, net of any previous payments received from the Club or the government.

Another wartime scheme covered the deaths of seamen from enemy action. The minutes of the Committee were soon crowded with reports of vessels lost at sea, accompanied by compensation claims from bereaved families, often utterly dependent on their deceased family member. On 9 November 1916 a massive explosion occurred at the Russian port of Archangel where vast amounts of ammunition and explosives were being discharged. It was believed that 30,000 tons of munitions exploded, killing thousands of people. One of the vessels carrying explosives which was destroyed in the tragedy was the Forfar Steam Ship Company's 4,453-grt steamer *Earl of Forfar*, entered with the London Club. There was little left of her, her forward deck completely



destroyed, the thick steel plates of her hull drooping over, it was said, as if made of putty. She lost 24 members of her crew and the Committee heard a claim from the widow of one of them, 26-year-old third officer Donald MacNeill. The Committee were bound by the Club's Rules from paying more than the maximum statutory compensation of £300 to his widow who was left with two infant children. To give some idea of how much that sum was worth, the average weekly wage earned by a Clydeside shipbuilder was £2 8s (approximately £2.40). By comparison, claims settled for minor injuries with litigious longshoremen in US ports regularly ran into thousands of dollars.

Entered Ships: The *Earl of Forfar* carried ammunition to Archangel where she was destroyed by an explosion on 8 November 1916.

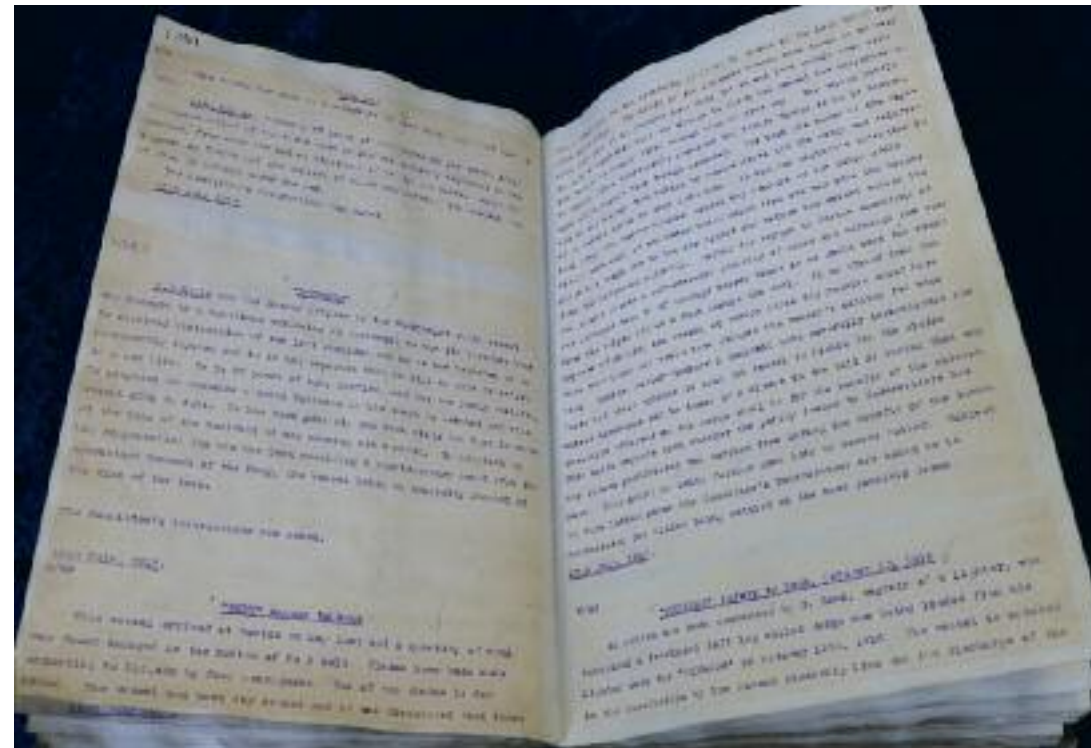




Another major explosion occurred with equally tragic consequences on the other side of the world on 6 December 1916. A Belgian vessel, the *Imo*, collided with the ammunition ship *Mont Blanc* in the harbour at Halifax, Nova Scotia. The *Mont Blanc*, abandoned and drifting, ran aground and exploded. Much of Halifax was devastated, leaving 1,635 people dead and more than 9,000 injured. One steamer entered with the Club, the *Middleham Castle*, anchored in the harbour, was badly damaged, and a steward, C Silva, aged 29, was killed.

All the clubs were asked to recommend candidates from among injured crew members unlikely to work again for the award of the Silver War Badge, first issued in 1916. One recommendation made by the London Club was H Brown from the steamer *Stanley* sunk on 21 March 1917, whose survivors, recorded the Committee, 'suffered greatly from exposure in the open boats, and there were numerous cases of frostbite'. Brown was in a serious condition following the loss of seven toes.

By 1917, with U-boat warfare at its height, the Committee was receiving numerous reports of crew lost on ships sunk by submarines. Examples recorded between March and December 1917 included the *Essonite* (10 lives lost, 1 February); the *Antonio* (10 lives lost, 7 March); the *Tasso* (19 lives lost, 17 March); the *Kelvinbank* (16 lives lost, 13 June); the *Marmion* (16 lives lost, 25 August); and the *Adela* (17 lives lost, 27 December). One of the crew on the *Kelvinbank* was 17-year-old W J Thundow who out of his monthly wages of £5 5s had been paying his mother £30 a year. He left behind a father in poor health and four siblings aged from nine to 15. The Committee approved the sum of £75 in compensation.



A particular feature of insurances provided by clubs has long been their ability to allow 'discretionary claims': that is, claims not foreseen by the Rules, but considered as appropriate for mutualisation amongst the Members by their shipowner committees. One such case in 1916 involved the *Frimley*.

Approaching the Russian port of Vladivostok, the chief engineer suffered frostbite from his fingers to his wrists after spending four hours in freezing conditions trying to keep the anchors free. He was hospitalised, enduring several operations and lost six fingers. Another case involved Captain W H Phillips of the steamer *Bilbster*. He struggled in bad weather, soaked to the skin for most of the time, to bring his badly damaged ship into port after she was in collision in convoy on 20 November 1917. Too badly damaged, the vessel eventually went down, and Phillips found himself in the water three times before being taken onto a boat where he remained for five days before being landed in Gibraltar. 'He is suffering from shock and exposure in consequence of his experiences and has been incapacitated for two months', recorded the report to the Committee. In both cases discretionary compensation was awarded, which in Phillips' case was recorded as 25 shillings a week. It is uncertain why the Club should have considered these decisions discretionary since injury cases were covered by the Rules. It may be that it was considered the courts would not have regarded the owners as liable in the absence of negligence, thus denying cover under the Rules. And these were extraordinary events in extraordinary times. Often successful discretionary claims would lead to the expansion of the Rules to allow similar cases to be covered automatically.

By the time the US entered the war in 1917, there had been a significant increase in the number of American ships entered with the Club. New Members included the American

Transportation Company in Philadelphia, United States Steel Products in New York, the California Steamship Company in San Francisco, C C Mengel & Brother in Louisville, and the Oriental Navigation Company in New York (whose 1,367-grt vessel was called *Edith Cavell* after the British nurse shot for spying by the Germans in 1916).

At the time most US-owned ships were entered with British P&I clubs in the absence of any similar American club. This changed in 1916 once the British government passed legislation imposing economic sanctions on Germany, thus limiting the cover British clubs could offer neutral ships. The effect of the sanctions was thereby extended to US vessels. Many of the ships entered with the London Club came through the New York brokers Johnson & Higgins, which was approached by several US shipowners with a request to set up a US P&I club. The American Club was formed in February 1917 under the management of Johnson & Higgins. The Rules and administrative arrangements of the new club were based largely on those of the London Club, a testament to the respect in which it was held by US owners. It took time for the American Club to build up its entries and this had little impact on the number of US ships entered with the London. The latter also agreed to re-insure the American Club on a quota-share basis, an arrangement which lasted until 1924 (and was revived again for a while in the 1980s and 1990s).

On 20 February 1917 the tonnage entered in the London Club's Protecting Class totalled

Claims for the loss of the *Stanley* and damage to the *Daybreak* resulting from the munitions explosion at Archangel during the First World War.





almost three million tons (the tonnage in the Indemnity Class was just over three million tons). Of this, 35 per cent was UK-owned; the balance was made up of tonnage from the US (25 per cent), the Skuld Club (24 per cent), charterers (eight per cent), other overseas countries (five per cent) and other clubs re-insured through the London Club (three per cent). By 20 February 1918 the toll taken by submarine warfare on British shipping was evident in the reduction of UK tonnage. Total Class 5 tonnage had fallen to 2.7m tons, of which UK ships made up 31 per cent, a proportion exceeded by US ships (35 per cent).

On 20 July 1919 the war risks re-insurance agreement with the British government came to an end, when all the clubs reverted, noted the London Club Committee, to their 'purely mutual basis'. All the clubs benefited from the short-lived post-war shipping boom, stemming from the flood of orders to replace UK shipping lost in wartime. This helped the London Club's Class 5 tonnage reach an inter-war peak of 4.8m tons in 1921. But a prolonged depression followed as freight rates collapsed in the face of a volatile international economy. Overseas fleets, left relatively unscathed by the war, offered much stiffer competition for British shipping. All this resulted in the Club's Class 5 tonnage collapsing to 2.8m tons in 1922. On average tonnage hovered around 2.5m tons during the inter-war period but never reached anywhere near the 1921 level until after the Second World War.

The difficulties faced by UK shipowners were reflected in the Club's correspondence as

Members struggled to pay their calls on time. Several collapsed into bankruptcy, becoming the property of the banks. Writing to the manager of Bilbroughs' Cardiff office in 1924, a senior manager, probably Kenneth Bilbrough, observed that 'one has to remember that in bad times the difference between failure and just scraping through is very small and the difficulty is to know how much rope to give a man'.

There was fierce competition for tonnage among the clubs. In the even more difficult years of the early 1930s the London Club offered valued Members a series of discounts as an incentive not to leave for other clubs. Throughout this period, like most other clubs, the London Club needed regular supplementary calls to cover deficits incurred in the Protecting and Indemnity Classes, more because initial calls were insufficient than because of a rising tide of expensive claims.

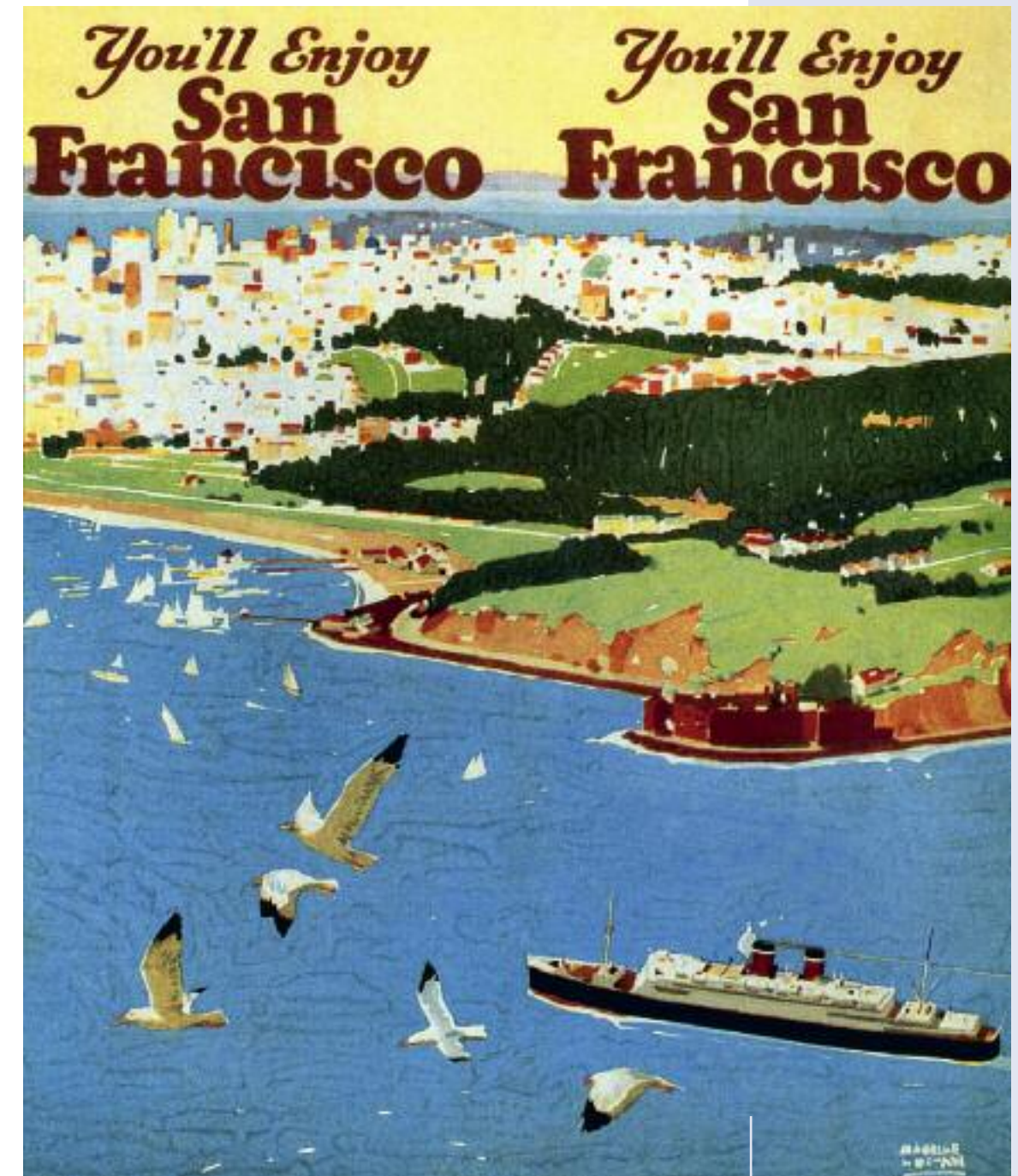
The British merchant marine was still the largest fleet in the world, accounting for one-third or more of the Club's tonnage between the wars. One of the Club's largest UK Members at the time was the Liverpool-based Nelson Line, which ran passenger and freight services to South America. Some of its ships, such as the 14,000-grt *Highland Brigade*, *Highland Chieftain* and *Highland Monarch*, were among the biggest in the Club. More tankers were entered, often the increasingly popular motor ships rather than steamers. The 10,191-grt *Gretafield* was operated by the Northern Petroleum Steam Ship Company, based in Newcastle, while the Inver- series of

tankers were owned by the British Mexican Petroleum Company, London.

Although the statistics for the inter-war period are limited, they do show that US tonnage matched or even exceeded UK tonnage during the 1920s. One reason for this was the million or more tons re-insured through the Club on behalf of the American Club until 1924.

American ships were still among the largest in the Club, particularly those of the Dollar Line, a long-standing Member. In 1925-26 the Line's seven-strong President series of ships were all just over 10,500 tons while the *Robert Dollar* was 10,984 tons. By 1929-30 the President series had risen to 18 and the 15,445-grt *President Johnson* was the largest ship entered in the Club. This was soon superseded by two even larger vessels, the luxury liners *President Hoover* (1930) and the *President Coolidge* (1931), both nearly 22,000 grt. The Dollar Line struggled during the 1930s – the *President Hoover* ran aground off Taiwan in 1937 and was declared a constructive total loss while the *President Coolidge* was detained in San Francisco in 1938 for an unpaid debt. The

business was restructured as the American President Line but continued to enter its ships with the Club until the US entered the Second World War in 1941.



San Francisco was the home of several shipping companies whose vessels were entered with the Club in the early twentieth century, such as Olson & Mahony, E J Dodge Co, Union Transportation Co, the Associated Oil Co, and the President Lines. Image Courtesy of The Advertising Archives





In 1929 the Club once again accepted some Great Lakes tonnage, sharing this with the West of England and Standard Clubs. This tonnage was considered a greater risk and the Club took no more than 25 per cent of any vessel up to a limit of 100 tons. By the early 1930s the Club was insuring up to 200,000 tons of Great Lakes shipping in this way, such as the *Greater Buffalo* and the *Greater Detroit* belonging to the Detroit & Cleveland Navigation Company.

An important new US Member in the 1930s was the Isthmian Steam Ship Company, the newly created shipping arm of US Steel, which itself had been with the Club since the First World War. Isthmian ran an extensive and growing fleet of freighters, and would remain with the Club until it was sold to States Marine Lines in 1956.

The Club covered a wide variety of other overseas owners. The smallest vessel entered in the Club in 1916 was the 175-grt *Oscar D*

*Bennett* operated by a Mexican company based in Tampico, the Cia Naviera Transportadera de Petrolco SA. In 1920 the Club accepted steamers for Japanese owners, the Ocean Transport Company. One of the largest overseas owners outside the US during the 1920s was the Société Maritime Auxiliaire de Transports (SMAT), based in Nantes, which managed the steamers belonging to the Paris Orléans Railway Company.

By 1929 the first Scandinavian and Greek ships had been entered. The *Beljeanne*, *Belmoira*, *Belpamela*, *Belpariel* and *Belray* were purpose-built heavy lift ships belonging to Christian Smith of Oslo. Smith, whose company was renamed the Belship Company in 1935, was the pioneer of heavy lift ships for transporting locomotives and railway rolling stock. These vessels were joined in the late 1930s by a handful of small Danish ships. The first Greek ships were two vessels, the 4,213-grt *Calafatis* and the 2,907-grt *Psara*, owned by C D Calafatis



Entered Ships: The 7,739 tons *Greater Buffalo*, owned by the Detroit & Cleveland Navigation Company, was one of two passenger vessels sailing the Great Lakes which were entered with the Club in the 1930s. Ray Borucki, courtesy of Joel Dinda and Rick Borucki.



Entered Ships: The *Beljeanne*, *Belmoira* and *Belpamela* were heavy lift ships owned by Christen Smith, Oslo, entered with the Club between the wars. World Ship Society Photo Library

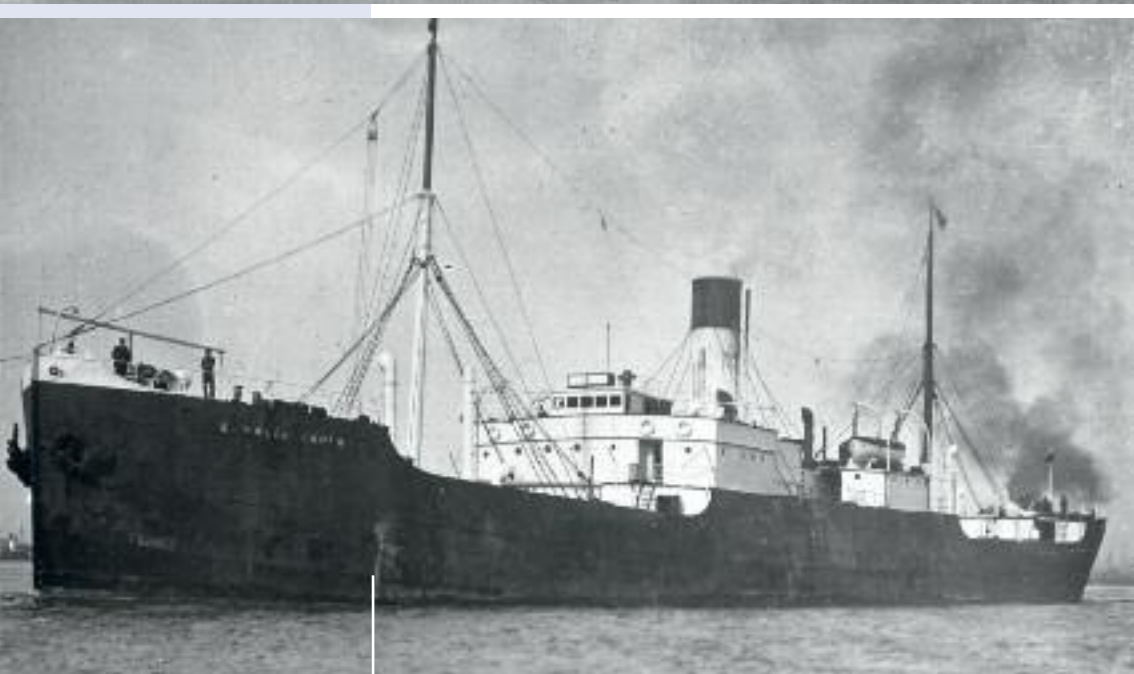




Entered Ships: *The Psara* (2,907 tons) was one of only two Greek ships entered with the Club in 1929-30. The other was the slightly larger *Calafatis*. Both vessels were owned by C D Calafatis of Piraeus.  
World Ship Society Photo Library

## The London P&I Club

1914-1945



Entered Ships: The steamer *Elswick Tower*, built in 1901, was renamed *Nicos Valmadis* when she was bought by S N Valmadis in 1929. She was among the first Greek-owned ships to be entered in the Club.  
World Ship Society Photo Library

Entered Ships: The 2,468 tons *Har Carmel* was one of the first two Middle East entries in the Club. The vessel, owned by Palestine Maritime Lloyd, was entered with her sister ship *Har Zion* in 1936-37.  
Courtesy of Oskar Lachs' grandchildren, Leonard Jonas, Edna Jonas, Deborah Toberman & Fay Kaye



The Club's growing international complexion changed the composition of the Committee. At the end of the First World War it still reflected the British shipping establishment, including three shipping knights: Sir Richard Mathias of

from Piraeus. Other Greek owners entering ships during the 1930s included Christos Vlassis, S N Valmadis, John Marcou Nikiforos, D J Pateras, Andreas Pappas and G A Georgilis. The largest Greek vessel was Nikiforos's 4,745-grt *Ariadne*. In 1936-37 Palestine Maritime Lloyd, the Jewish owned and operated shipping company formed in 1934, entered its two vessels, the 2,468-grt *Har Carmel* and the 2,493-grt *Har Zion*, the Club's first entries from the Middle East.

J Mathias & Sons, Cardiff; Sir Thomas Royden of Thomas Royden & Sons, Liverpool; and Sir Walter Runciman, later Lord Runciman, of Walter Runciman & Company, Newcastle. The Committee chairman had always been a UK shipowner but the first overseas members joined the Committee during the 1920s: from 1921 to 1932 SMAT was represented by Robert Williamson; from 1923 to 1947 G W Vinke of Vinke & Co, Amsterdam, was a member; in

1924-25 D J Marcel Andrade from the Compagnie Auxiliare de Navigation was a member; and from 1925 until 1940 H Cangardel represented the Société Anonyme de Navigation les Armateurs Français. By the late 1930s, the Committee had increased to 15 members, with two, Vinke and Cangardel, representing overseas owners.

The inter-war period saw fewer claims arising from collisions but many more relating to cargo damage or shortages and to personal injury or loss of life. In 1930, for instance, personal injury or loss of life accounted for two-thirds of all claims settled by the Club, cargo damage or shortages for nineteen per cent and collisions for just three per cent.



Sir Richard Mathias was another influential UK shipowner who sat on the Club Committee in 1918.  
© Illustrated London News Ltd / Mary Evans

Sir Walter Runciman, another Club Committee member, ran a substantial fleet of ships based in the north-east of England.  
National Maritime Museum, Greenwich, London

Sir Thomas Royden, a member of the Club Committee in 1918, was chairman of Cunard.  
By courtesy of the University of Liverpool Library (D42/PR2/5/15)



The London P&I Club



The London P&I Club

## The ghost ship

The 1,322-grt cargo steamer *Baychimo* owned by The Hudson's Bay Company traded along the north coast of Canada. In October 1931 winter came to the Arctic earlier than expected and the vessel was caught in ice during a routine voyage to Vancouver. The crew abandoned the ship, making a dangerous trek across the ice to the town of Barrow. After two days they returned to see if the ship was still afloat. She had broken free of the ice and was adrift but her freedom was only temporary as the weather worsened again, once more surrounding her in ice. The Club arranged for the crew to be evacuated by air before the weather made flying impossible for the winter. Most of them left on 14 October but a group of 14, including the captain, were determined to remain near to the ship. Then in late November the vessel disappeared during a sudden storm. The crew stayed on, with supplies to see them through the winter. While waiting for better weather to allow them to be flown home, they heard that the ship had been seen again. This time the crew were able to board her but decided she was no longer seaworthy and abandoned her for good. The ship, however, stubbornly remained afloat and over the years she was the subject of frequent sightings. Eluding all attempts to board her or to salvage her, she gained a legendary reputation. When other vessels occasionally came upon her, they gave her a wide berth, judging her to be bad luck. After being seen in 1939, she vanished until 1962 when she was seen again, drifting along the coast of the Beaufort Sea. After several more sightings, she was last seen in 1969.



Entered Ships: The so-called 'ghost ship' *Baychimo* surrounded by ice.  
© McCord Museum (MP-1984.126.199)

Cargo claims encompassed everything from bad apples, water-damaged books and esparto grass lost through fire to dried fruit damaged by a fractured soil pipe, tea tainted by oranges and pomegranates, and lemons and grapefruit over-ripe because of delays in landing goods in port. Pilfering was rife in some ports, such as New York, where it was more organised and persisted until containerisation eventually brought it under control.

The causes of injury or loss of life at sea in claims considered by the Committee were many and varied. The dangers of the sea were compounded by often terrible working conditions. Crew could find themselves hospitalised in foreign ports for several months. Some injuries left men blind or incapacitated, prevented from working again. The impact on families could be severe. When the *Citrine* struck rocks off the Isle of Man on 7 March 1931, she foundered with the loss of ten of the eleven crew. The widow of chief engineer James Black, aged 46 and earning £5 a week, sought compensation for herself and six children aged from four months to 14.

Claims for injury from port workers continued to be a heavy cost for all clubs. Many claims were exaggerated and some fraudulent. They were not confined to US longshoremen. In 1933 the Committee heard in relation to claims from stevedores in Spanish and Portuguese ports that 'many of the so-called accidents are injuries intentionally caused for the purpose of obtaining compensation allowable in the case of incapacity by accident'.

## Murder at sea

Occasionally the Committee had to deal with claims where members of crew had been murdered. On 31 August 1920 the *Ballygally* Head was discharging general cargo in Belfast 'when a serious riot broke out at the docks. The [crew] aboard this steamer rushed ashore and one of them named Cromie was shot dead'. He had served throughout the war and was 'a very decent, respectable man', leaving a widow and five young children without any provision. The owner asked the Committee to consider a contribution towards a fund for his dependants. In another case in 1923 the watchman of the steamer *Crossway* berthed in Buenos Aires had seen 'some well-known and dangerous dock thieves approaching the steamer. As he felt sure they were bent on mischief, he shouted to them to keep away from the vessel. In spite of this, the men rushed up the gangway when the watchman drew his revolver and fired at them. One of the thieves fired in return and the watchman received injuries from which he died'.



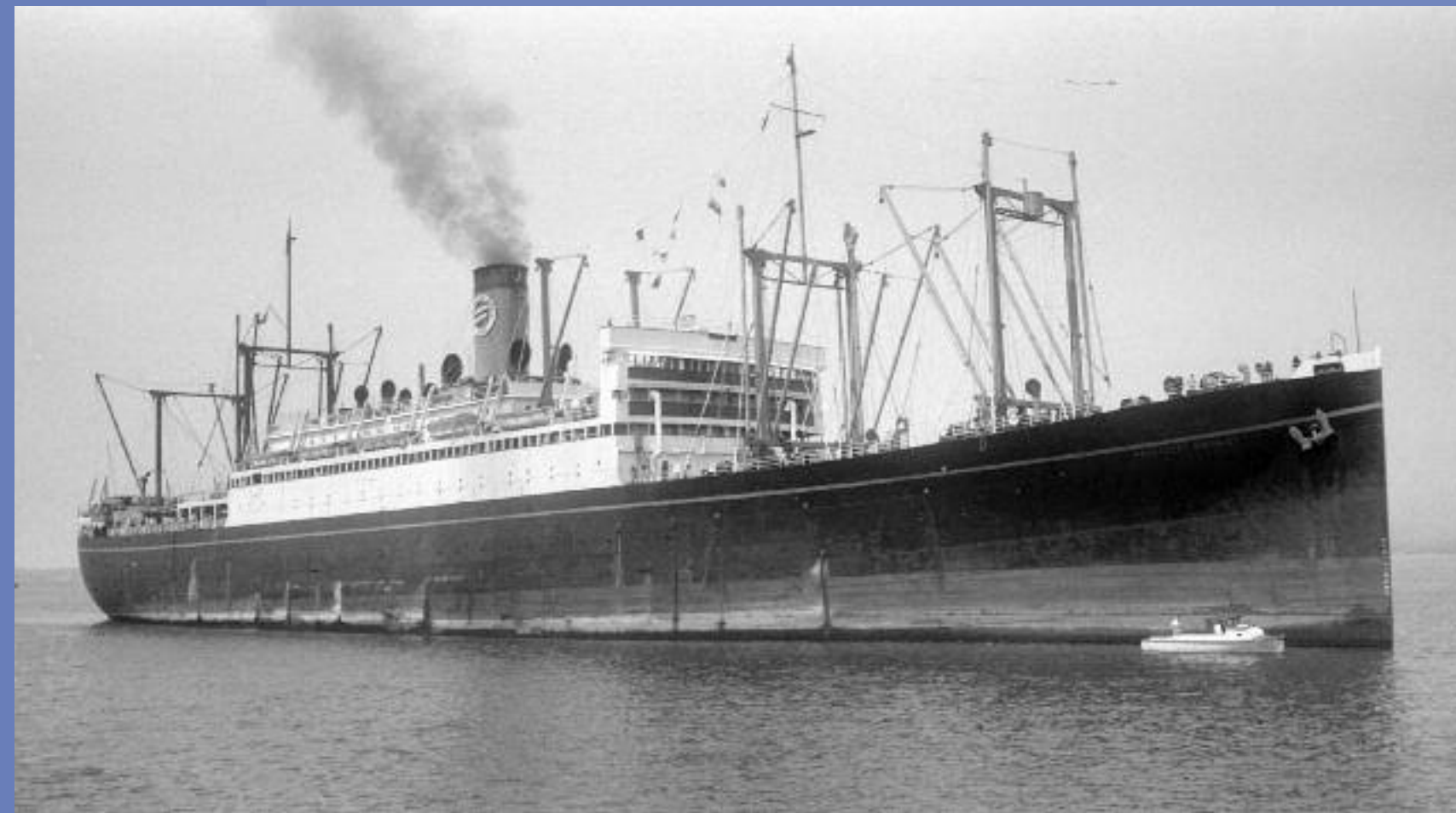
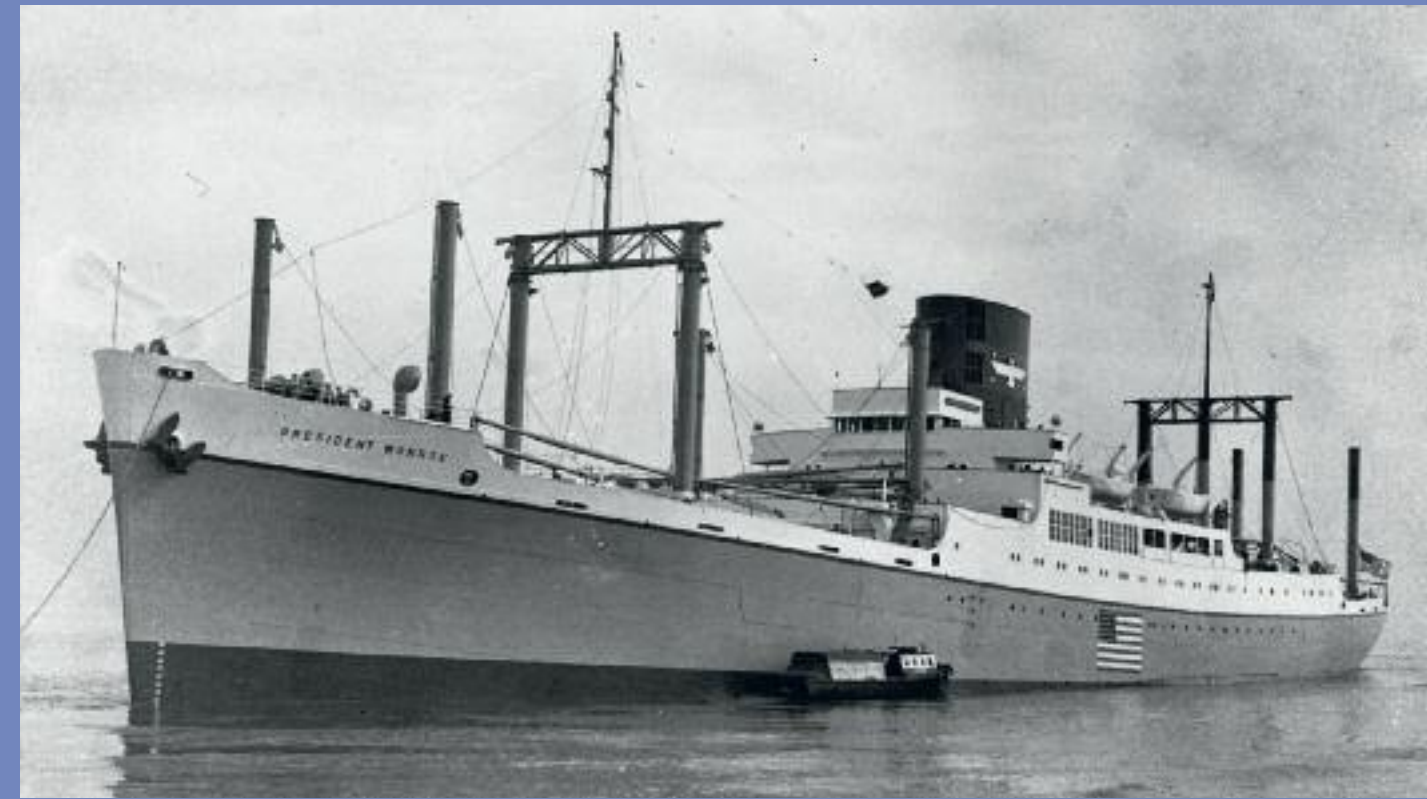


### Claims – President Lines

The London Club suffered frequent mischievous claims from US passengers carried by President Lines. In June 1932 Miss Gloesser, travelling on board the *President McKinley*, claimed damages for contracting impetigo having had a permanent wave in the ship's beauty parlour. The managers' report stated that 'It is contended that the Plaintiff was suffering from dermatitis at the time and that the wave was imparted in the usual way'. The owner won the case.

The Line was also the source of vexatious claims for personal injury. One relating to a crew member of the *President Monroe* began in 1932 and remained unresolved two years later. The owners, however, insisted the claim should continue to be contested given the expense already incurred. There were, reported the managers, certain obstacles to success: 'our defence was seriously handicapped owing to our chief witness now being in gaol in California, having been convicted of smuggling'; while the bed-bound claimant 'would be brought into Court on a stretcher which was bound to excite the jury's sympathy'. The Committee reluctantly agreed to settle the deeply suspect claim for the sum suggested by the plaintiff's lawyers.

Entered Ships: By the late 1930s the 21 ships of the American President Lines, ranging from 10,000 to 22,000 gross tons, were the largest in the Club. Seen here are the *President McKinley*, *President Monroe* and the *President Van Buren*.  
City of Vancouver Archives, photograph by Walter E. Frost (AM1506-S3-2-CVA.447-2573) / World Ship Society Photo Library





Entered Ships: *Tritonia* was the exceptional claim for the year 1928-29 after it blew up at sea while carrying explosive from the US to South America. Claims totalled more than £45,000 but the net claim for which the Club was liable, thanks to the Pool, was £15,000.



Catastrophe claims were fortunately rare. One was the destruction of the Donaldson Line's *Tritonia* when her cargo of gunpowder exploded as she was anchored off Buenaventura on the Colombian coast in February 1929. The crew had abandoned ship but the captain and two other crew returned to scuttle her after fire had broken out. They had just completed the operation when the ship went up, killing two of the men. The explosion was severe enough to damage property in the port. The captain, dazed and deafened, was

promptly arrested and thrown into jail, and released 11 days later only after diplomatic pressure. The two dead crew were later awarded the Albert Medal. The total cost of the incident to the Club exceeded £45,000, approximately £2.5 million today, reduced to £15,000 after a claim was made on the pooling agreement.

International conflicts continued to disrupt shipping. During the 1930s the civil war in Spain and Japan's invasion of China both had a serious impact. When conflict broke out in Spain, a flood of claims came before the Committee from owners whose ships had been delayed in Spanish ports. Very rapidly special premiums were imposed under the Club's War Risks Class. As the situation deteriorated, cover for the ports regarded as most dangerous was withdrawn completely. By September 1937 the clubs were discriminating between 'Franco' ports and 'red' ports, accepting risk for the former but not the latter, presumably on

grounds that ports still in Republican hands were bound to face attack from Francoist forces. Similar conditions were imposed on ships sailing to China, with cover removed entirely for ships entering Shanghai or ports in the Yangtze river.

By the end of August 1939 war with Germany was once more looking inevitable. On 28 August the Club sent out to Members an Admiralty circular advising British merchant ships bound for German, Dutch and Danish ports to return to the UK. When war was

Shanghai's crowded port in the late 1920s.  
© SZ Photo / Scherl / Bridgeman Images



## Smuggling

In June 1926, reported the Club's managers, the *Greystoke Castle* arrived in London from Antwerp. On arrival she was met by Customs officials who demanded to search the vessel for undeclared liquor. 'They discovered 183 cases of whisky which [were] landed and confiscated with treble duty. The Captain was arrested, tried at the Thames Police Court, and fined £3,600 or four months' imprisonment. He was released on bail which he found by mortgaging his house, furniture and property, but he could not find the money to pay the fine and is now serving his term of imprisonment. The Board of Trade cancelled his certificate. He was one of the old Cuban Line captains. The vessel was arrested by the Customs and the owners had to make a deposit of £500 to obtain the release. The whisky had been paid for by the Captain and Chief Engineer. There was a larger quantity of whisky on board than the Customs were aware of. This was thrown overboard on the voyage to the West Indies.' The Committee was asked if it wished to pay the fine of £500 or defend proceedings. The managers subsequently argued the owners' case very strongly before Customs, resulting in remission of £450, leaving a fine of just £50 to settle. Claims for fines have remained discretionary to this day.





## The London P&I Club



Kenneth Bilbrough joined Bilbroughs in 1894, succeeded his father as Senior Director and retired in 1940.

The Club moved to Walsingham House, Seething Lane, London in 1930.

declared, a national war risks scheme was put in place once again, administered by the clubs on behalf of the government. Lessons had been learned from the previous conflict so recoverable losses were now based on 'reasonable market value'. From 1941 all the clubs also agreed to a general pooling of war risks premiums and claims. Convoys were initiated almost immediately.

The Club's managers, Bilbrough, had moved to offices at Walsingham House in Seething Lane, London, in 1930, and the Committee continued to meet there in wartime. The building suffered some bomb damage but avoided destruction, unlike so many others close by. For safe keeping all the Club's vital documents were filmed and stored in Exeter, well away from the war-torn capital. Kenneth Bilbrough retired from the company and his place as chairman of the managers was taken by Tom Wilding.

The merchant navy was a crucial part of the British war effort, securing vital supplies in dangerous conditions. Whether braving the stormy waters of the Atlantic or the icy seas of



The busy port of Calcutta in the 1950s.  
© National Geographic Creative / Alamy Stock Photo

the Baltic, convoys were prey to U-boat attack. Ships laden with ore sank like stones while tankers filled with oil turned into furnaces. Those who survived a sinking ship often endured days at sea in open boats. More than 50,000 seafarers, over a quarter of all those in service, lost their lives, their sacrifice remembered at the impressive and moving Merchant Navy Memorial, not far from the Club's current London office.

At the beginning of the war many shipowners made claims for the cost of repatriating foreign crews. One case involved the tanker *Inverdargle* bound from Falmouth for Trinidad to load oil. Her Chinese crew refused to return to the UK but it was four months before they could be repatriated to Hong Kong. The costs were borne by the Ministry of Shipping but the Ministry was claiming from the owners who in turn made a claim on the Club.

Claims for repatriation costs kept on recurring during the war. Ships could be diverted from

their original route under government order which could mean the crew were away at sea for extended periods. The *Seringa*, heading back from Australia to south Wales in the spring of 1941, was unable to keep up with her convoy and found herself diverted first to the St Lawrence coal trade and then, in November 1941, to carry cargo from New York to the Middle East. The crew were so desperate for their discharge that they threatened desertion. On their arrival in Halifax, Nova Scotia, they were repatriated on the orders of the representative of the Ministry of War Transport, who failed to tell the owners. The replacement crew hired by the Ministry proved so bad that the ship's officers and engineers threatened to resign (firemen failed to maintain a full head of steam at sea, there was often no cooked food and there was general insubordination). When the vessel reached Calcutta, this crew too was discharged. On both occasions the owners were liable for repatriation costs, which they claimed from the Club.



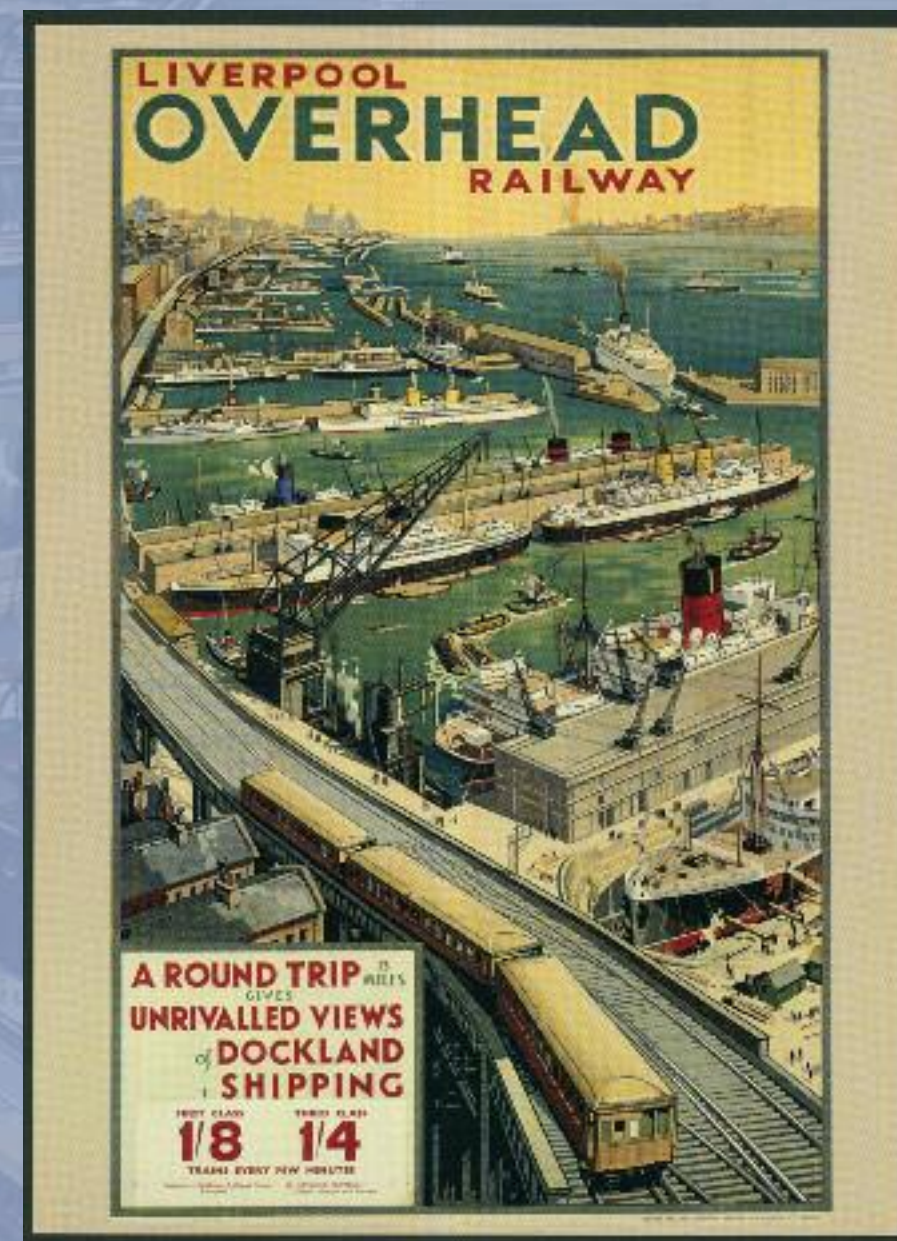


## A letter of thanks

During the war the Club contributed to the Merchant Navy Comforts Fund. Occasionally a letter of thanks from a grateful seaman would find its way back to the Committee. In 1943 one was received from fireman J J Hughes. 'Just a short letter thanking you one and all for your comforts as they were very much needed in a case like mine. Somewhere in the North Atlantic I received your parcel when picked up after a bit of bad luck homeward bound. I would like to say a lot more but it is not allowed, all I can say is that with the help of good friends like you to those still afloat we will certainly pull through and see Victory.'

A number of vessels entered with the Club fell casualty to war but documentation of these losses has failed to survive. By the end of the war, however, the Club had managed to increase its Class 5 tonnage from 2.2m tons in 1942 to 2.4m tons in 1946. While there were

several new Members, those with the largest tonnages remained much the same: Bullard, King & Co; Watts, Watts & Co; Port Line; New Zealand Shipping; Donaldson Line; Coast Lines; Andrew Weir & Co; and the Isthmian Steamship Company.



This poster gives an idea of the importance of Liverpool as a port in its UK heyday.  
Courtesy National Museums Liverpool

# 1945-1962 5

Shipping flourished with the post-war revival in international trade. World seaborne trade rose from 490m tons in 1948 to more than 1.3 billion tonnes in 1960. The demand for raw materials from industry created specialist bulk cargo carriers while the soaring demand for energy and the expansion of the oil trade produced bigger and bigger tankers. This in turn, along with gradual recognition of the impact on the marine environment, brought the first signs that oil pollution at

sea could become a major liability for shipowners. The rising scale of major claims provoked a debate on limiting owners' liability but the main source of claims for the Club continued to be personal injury, accompanied by the rising cost of litigation. Although the UK fleet declined, the Club increased its tonnage thanks to its success in recruiting fleets belonging to new and expanding owners based in countries such as Greece, Hong Kong and Korea.





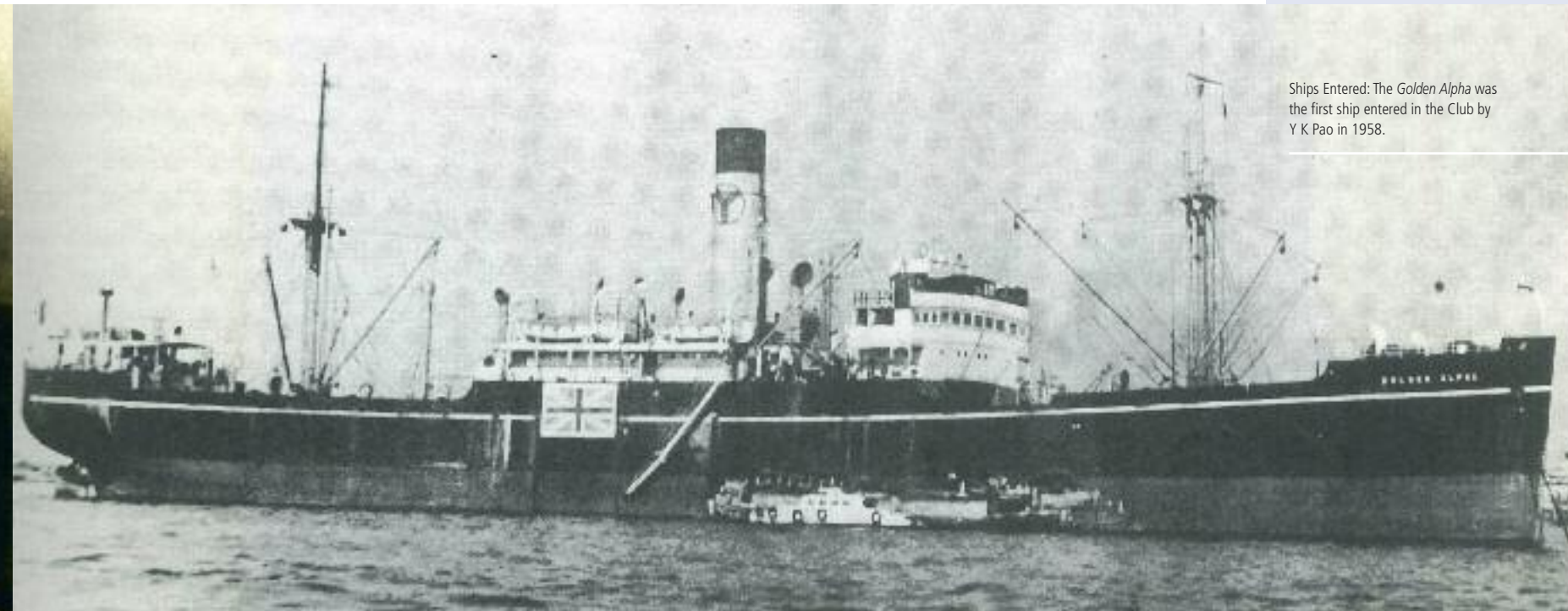
Stavros Livanos was one of the first owners to enter Japanese-built ships with the Club after 1945.  
Keystone Pictures USA / Alamy Stock Photo

From the very first year of peace, it was obvious to the Club that shipping was changing. In 1946-47, for instance, the Club already had a number of ships registered in Panama as owners moved vessels to the so-called 'flags of convenience'. The Club was happy to accept such vessels, believing that, as the Annual Report put it in 1955, 'good management is more important than the ship's ensign'. On the other hand, the Club worried about the often inadequate maritime laws of countries like Panama and Liberia. There were also anxieties about enforcing discipline on board a ship that never entered a port of her flag nation. These were prompted by an admittedly rare case when a crewman playing cards on board a ship entered with the Club shot one opponent dead and mortally wounded the other. When the vessel put into Algiers to land the wounded man, the French colonial authorities refused to deal with the crime, and the flag nation refused to pay the cost of the murderer's repatriation to stand trial.



UK tonnage was in decline but shipping from other nations was still expanding. Many Greek owners, for instance, established London offices after the war and entered ships with the London Club. Between 1946 and 1950, this included ships belonging to Nomikos (London),

J P Goulandris, Andros Shipping, Lyras & Lemos Brothers and various companies owned by Aristotle Onassis. The first Fafalios ship entered in the Club was the *Nueva Gloria* on 16 May 1949. In 1952 the first vessels were entered from Norddeutsche Reederei H Schuldt GmbH & Co



Ships Entered: The *Golden Alpha* was the first ship entered in the Club by Y K Pao in 1958.

KG in Germany. In 1955 Stavros Livanos entered all ten ships built for his Ocean Cargo Lines not in the UK or even in Europe, but by two Japanese yards, another sign of how things were changing. In the same year Zim Israel Navigation first entered ships, followed by the Korea Shipping Corporation in 1956 and Ocean Tramping Co Ltd (later COSCO (Hong Kong) Shipping Ltd) in 1958. The first ship entered by Y K Pao, who founded World Wide Shipping in 1955, was the *Golden Alpha* in 1958. Until it was sold in the mid-1950s the Isthmian Steam Ship Company still had the greatest tonnage entered in the Club although as a whole US tonnage was declining, its industry hampered in international trades by the protectionist Jones Act.

Ships were becoming more sophisticated in their operation, taking advantages of wartime



Y K Pao was the founder of Hong Kong's World Wide Shipping Group in 1955 which in just 20 years became the largest shipping group in the world.  
UPP / TopFoto





## The London P&I Club

Entered Ships: Zim Line first entered ships in the Club in 1955, the year in which the *Israel* was delivered to the company from a German shipyard as part of wartime reparations. The *Zion* followed in 1956.  
Private Collection / DaTo Images / Bridgeman Images

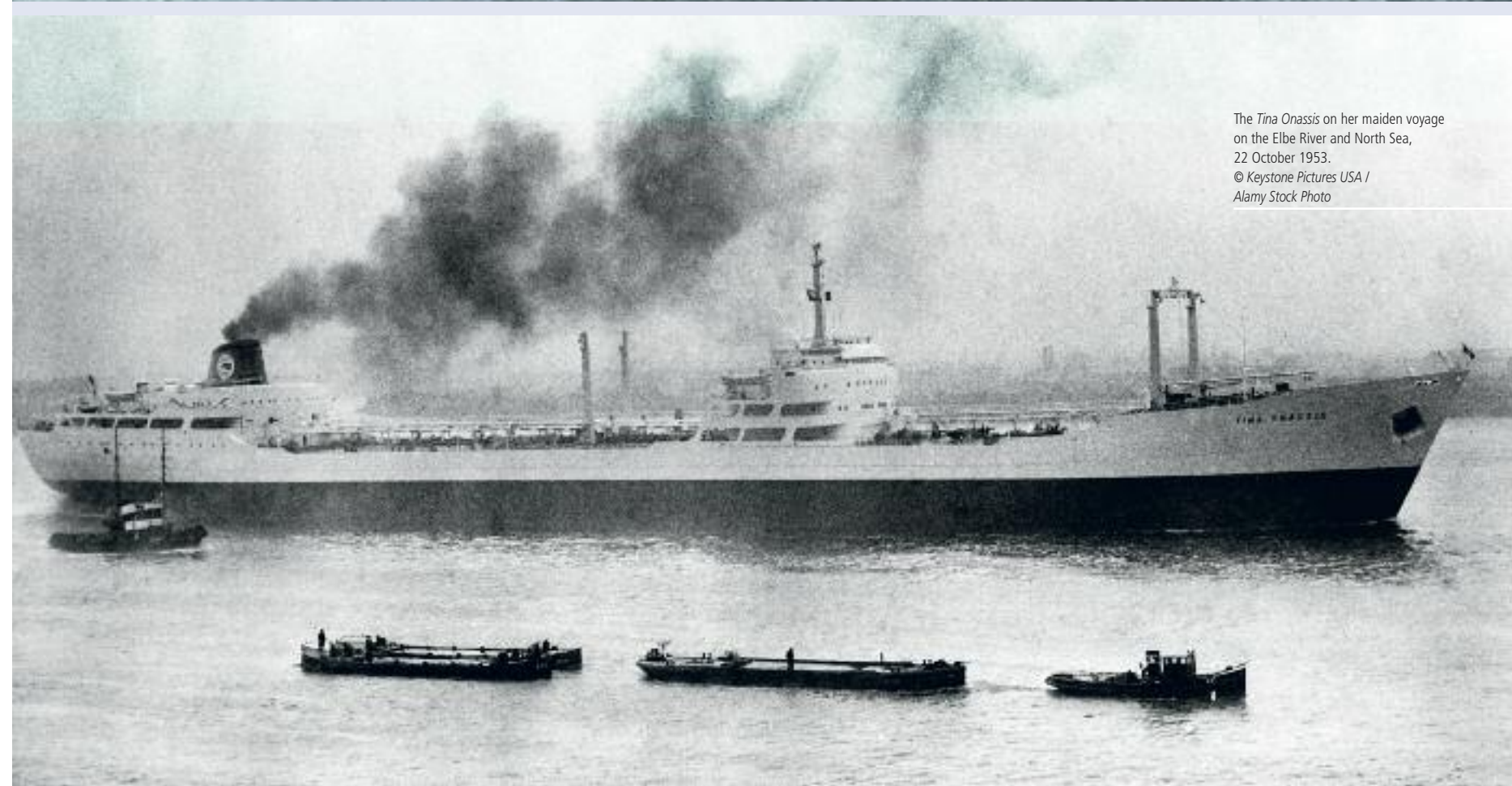
developments, particularly radar. Some seafarers took time to understand the limitations as well as the advantages radar brought, resulting in frequent incidents that became known by the term 'radar-assisted

collision'. This would be a recurring challenge as on-board technology became more advanced. A typical claim involving radar came before the Committee in 1952. The *Steel Apprentice*, belonging to the Isthmian Steamship Company, was sailing in fog towards Philadelphia under a relatively inexperienced pilot. The ship collided with the elbow of Cross Ledge lighthouse, causing the three-storey structure to collapse and doing serious damage to the steamer. The report on the incident pointed out how the pilot 'failed to interpret properly the information furnished by the radar in relation to the true course made good by the steamer'.

Ships, especially tankers, were getting bigger. Immediately after the war the biggest ships in the Club had been under 12,000 tons grt. By 1956 the Club's largest vessel was the 27,853-grt tanker *Tina Onassis*, owned by Aristotle Onassis. By 1960 vessels of this size had become increasingly common in the Club, such as the *Andros* series of vessels, registered in Panama and Liberia. Yet they were already being superseded by even larger ships, including the 37,958-grt Onassis-owned tanker *Olympic Challenger*, entered in 1960.

As bigger tankers carried more oil more frequently across the oceans, oil pollution was becoming perceived as a serious threat. Claims for damages arising from an oil spillage were still a novelty, reported the Committee in 1953, but Members were nevertheless warned that owners were liable for any spillage arising through negligence from a collision at sea. The cost of claims for oil escaping into harbours and

Entered Ships: The *SS Steel Apprentice* was owned by the Isthmian Steam Ship Company, one of the Club's leading Members in the immediate post-war years. The ship herself was seriously damaged after colliding with the Elbow of Cross Ledge lighthouse in Delaware Bay in October 1953.  
Marc Piché collection



The *Tina Onassis* on her maiden voyage on the Elbe River and North Sea, 22 October 1953.  
© Keystone Pictures USA / Alamy Stock Photo



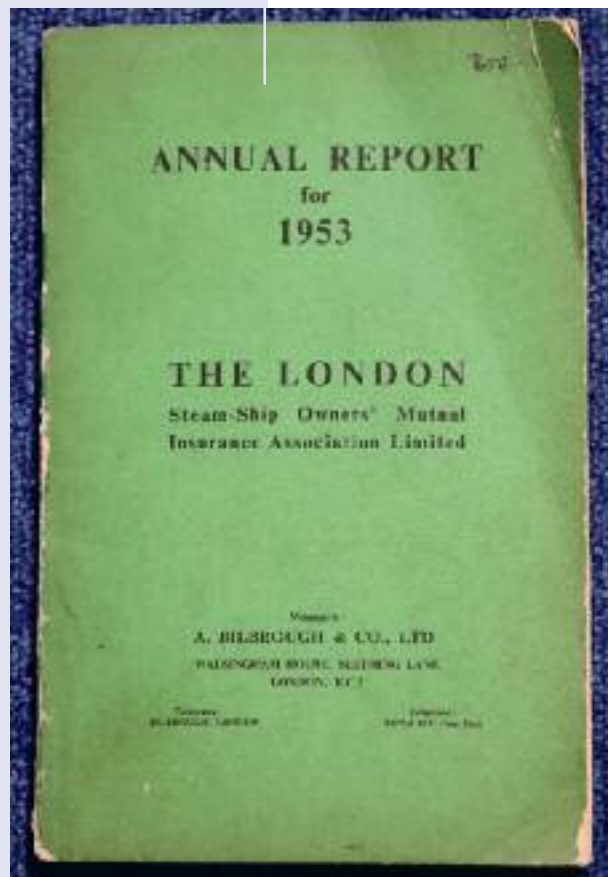
Entered Ships: The 37,958 gross registered tons Onassis-owned *Olympic Challenger*, built in 1959, was part of the trend for ever larger oil tankers.  
World Ship Society Photo Library



Entered Ships: The *Seistan* exploded off Bahrain with the loss of 57 men on 19 February 1958.  
World Ship Society Photo Library



The first printed copy of the Club's Annual Report.



docks was already heavy. Tighter regulations were already being developed and the first legislation was passed in the UK in 1955.

Ultimately oil spillages would become the single largest reason for major claims. But other catastrophes had already begun a debate within P&I clubs about the financial impact of claims resulting from them. This was prompted by two disastrous explosions in 1947. When the *Grandcamp's* nitrate cargo blew up in the port of Texas City, 581 people were killed, thousands were injured and

extensive damage was caused. The second major explosion in Brest harbour, also involving ammonium nitrate, destroyed the *Ocean Liberty*, with the loss of 33 lives and injuries to more than a thousand people. The London Group of Clubs discussed the possibility of limiting cover but, on the grounds that, as the London Club Committee then observed, 'one of the attractions to shipowners of entering a ship in a P&I Club is the unlimited liability afforded to a member', agreed instead to obtain further excess re-insurance. The long-standing pooling agreement had stood the test of time and was regularly reviewed, particularly to take into account the much wider range of sizes of individual ships and claims after 1945. In 1958, as the largest ships exceeded 100,000 deadweight tons, all restrictions on size were removed from the agreement.

The Club's most serious loss during this period also occurred because of an explosion. On 19 February 1958 the 7,440-grt motorship *Seistan*, owned by the Strick Line, exploded off Bahrain.

## SS Flying Enterprise

The struggle to save the *Flying Enterprise* under her master Captain Kurt Carlsen enthralled the world in January 1952. The ship, built in 1944, owned by the US company Isbrandtsen and entered in the Club, ran into very heavy weather in the English Channel on her outward journey to New York. On 29 December 1951 she was abandoned by all on board except Captain Carlsen and his mate. The 41 crew and 10 passengers had to jump into rough seas. Everyone was picked up, distress signals bringing other ships to the scene, although one elderly man died during the rescue. Efforts to tow the ship into harbour failed when the tow line parted on 9 January 1952 and the two men had to leave the vessel, which sank 32 miles south-west of the Lizard. Carlsen became a hero, receiving a ticker-tape parade in New York on 17 January, but he turned down film offers from Hollywood in favour of returning to sea again.

Entered Ships: The *Flying Enterprise* captured the imagination of the public worldwide during her struggle for survival in December 1951 and January 1952.  
Bettmann Collection / Getty Images





She was carrying nitroglycerine, which detonated following the spontaneous heating of a cargo of 'toe puff' stowed beneath the explosive. The after-end of the ship was destroyed and 57 of the 68 crew lost their lives. An investigation revealed the explosive manufacturer had used an unstable ingredient.

Most claims still featured either personal injury or cargo loss or damage. Between 1953 and

1956, for instance, these two categories accounted for 88 per cent of all settled claims, with 60 per cent relating to personal injury.

Immediately after the war the Committee was most anxious about cargo claims. This was still the age of the general cargo ship and the Club continued to issue plenty of advice on how best to segregate cargoes to avoid damage or contamination. Theft was also a source of major concern. In many countries, particularly the UK,

wartime shortages continued well into peacetime. Temptation proved too much for many port workers and crew. Committee members and managers, recalling the scale of pilfering in the wake of the First World War, wanted to prevent the same thing happening again. A circular was drafted at the beginning of 1946, expressing concern 'at the very serious losses of cargo in transit, especially shortages and pilferages of general cargoes'. An additional premium was imposed on Members operating in areas where pilfering was rife. It was not just ports in the west that were susceptible; the problem was acute in many Asian ports to the extent, for instance, that cargo underwriters were insisting on the shipment by air only of embroidered linens and cottons from the Philippines. The Committee also hoped, now that peace had returned and requisitioned ships were handed back to their owners, that it would be 'more feasible for officers and men to be carefully selected on the basis of character and capability'.

The liability of shipowners as employers continued to increase after the war. The Club advised owners that they needed to do more to provide safe working conditions. 'There are still too many avoidable accidents,' stated the Annual Report in 1953. Injuries to an able seaman on a US ship who fell from an insecure bosun's chair while painting cost the Club more than \$50,000. There were so many claims arising from crew slipping on patches of oil on US ships that the Committee urged that 'the risky practice of using fish oil [for treating decks and which took a long time to dry] should be abandoned'.

It was rising legal costs that finally persuaded the Club to introduce a new class, Class 8, Defence, later Freight, Demurrage & Defence (FD&D) in 1952, covering such costs essentially incurred in resolving non-P&I disputes under contracts. Members with ships registered in states such as the US, Greece, Liberia and Panama, which tended to incur higher costs, were charged twice as much as other members for this service. At the time their contracts were frequently subject to US law, leading to concerns that American litigation was proving particularly expensive. The Club noted that in the US, litigation (in respect of claims arising under both the P&I and FD&D covers) was becoming 'a national pastime'. In addition, 'persons are becoming more claims conscious'.

In fact, the most frequent FD&D disputes tended to arise out of charter-party agreements, but they also involved the sale and purchase of ships. One example was a claim in New York arbitration made in 1955 against the sellers of a ship to a Club Member. Motions to set aside the awards 'were made on various grounds, including misconduct of arbitrators; and there were motions to enforce awards etc. and these followed each other over a space of nine years'. The owners eventually recovered \$101,000 with interest; their costs of \$24,000 were covered by Class 8.

The Committee began to place more stress on prevention, pointing out to members in the 1961 Annual Report that 'The vast majority of liabilities which have to be paid by the Club only arise because someone for whose action or

## Peru and the Onassis whaling fleet

Aristotle Onassis operated a fleet of whaling ships for several years, attracting criticism in some quarters for what was alleged to be indiscriminate harpooning. With the Arctic seas exhausted, the fleet moved to the waters off the coast of Peru. In 1954, in an incident that raised headlines around the world, the Peruvian government, which had controversially extended the limit of its territorial waters to 200 miles, sent in its naval forces, seizing part of the Onassis fleet. All the vessels were entered in the London Club, which supported the owner in disputing liability for the government fine. This was eventually settled for \$3 million and paid by the owner's war underwriters as capture and seizure under their policy. Non-British owners were at that time ineligible for the Club's own War Class.



Aristotle Onassis, the flamboyant Greek shipowner, entered a number of ships with London Club from the 1940s. Slim Aarons/Getty Images





New York, seen here in 1953, was one of the world's major ports.  
Robert F. Sisson / National Geographic / Getty Images



inaction the shipowner is responsible has not done his duty'. There were changes to increase administrative efficiency, notably the merger of the Protecting and Indemnity Classes into one

class from 20 February 1959. While management became more complex, with risks diversifying as a result of bigger ships, more varied tonnage and new materials and

commodities carried as cargo, the first duty of the Club's managers, recorded Tom Wilding in 1961, was 'to receive entries into the Club and to try to ensure that the terms on which

members are entered reflect the difference in the liabilities which different members may incur, and thus to conform with the principle of mutuality ... It is the constant endeavour of





## The London P&I Club

Marcos Lyras was appointed to the Club Committee in 1962.



the Managers of each club to adjust the basis of contribution fairly between all its members’.

More owners with bigger ships benefiting from growing international trade boosted the Club’s tonnage from 2.4 million tons in 1946 to 9.1 million tons in 1962. As the Club’s long-serving chairman, J W Ratledge of Coast Lines, stepped down that year after 15 years in office, the Annual Report observed that this period had seen the Club ‘embrace the flags of still more nations and thus extend the international character of the membership’. Ratledge’s successor, however, was yet another British shipowner, J C Hawkes of Bank Line (whose son would later be a senior director of Bilbrough). Wider geographical representation on the Committee remained limited – in 1953, for instance, there were still only two overseas members and it was not until 1962 that the first Greek, Marcos J Lyras of Lyras Brothers, was invited to join the Committee.



Entered Ships: The *Manhattan* at nearly 66,000 gross registered tons was not only the largest ship in the Club at the time, she was the largest ship built in the US and, after the later reconstruction of her bow, the world’s largest ice-breaker. In 1969 she was the first commercial vessel to cross the North-West Passage.  
*World Ship Society Photo Library*

# 1962-1989

# 6

**The trends that emerged after 1945 accelerated during the 1960s. Shipping boomed as world trade expanded. Ships became bigger still and more specialised. The containership revolutionised cargo handling. These changes and the further internationalisation of shipping were reflected in the Club’s membership; while in the 1970s the Committee elected its first overseas chairman and the first of two overseas offices was opened. But after a period of very low claims at the time of the depressed freight markets in the mid-1980s, premium levels had fallen and as a result, the Club, like many others, was not prepared for the sharp and persistent increase in the cost of claims later in the decade. This put considerable pressure on finances and in 1989 the London**

**Club was compelled to ask for significant increases in contributions from members.**

World seaborne trade soared to 3.2 billion tons by 1973. During the 1960s world exports for the first time exceeded their proportion of world gross domestic product (GDP) achieved in 1913, the previous record year for exports, and by 1973 accounted for more than ten per cent of GDP. Although international trade grew more slowly following the recession of the 1970s, it still reached 3.9 billion tons by 1989.

Stimulated by the boom in trade, the Club’s tonnage grew more rapidly between 1962 and the onset of the oil crisis in 1973 than at any other time in its history, rising from 9.1 million





Entered Ships: Transpacific Freighters Corporation entered one of the largest ships in the Club, the 54,502 grt Liberian-flagged, Japanese-built ore/bulk/oil carrier *Nephos*, in 1967. World Ship Society Photo Library / George Garwood



tons to 25.6 million tons. In the early 1960s the Club's membership included a mix of the then familiar, such as Elders & Fyffes and the B&I Steam Packet Co, and the new, such as the National Transport Corporation and the Transpacific Freighters Corporation. In 1967 the latter entered one of the largest ships in the Club, the 54,502-grt Liberian-flagged, Japanese-built ore/bulk/oil carrier *Nephos*. Some familiar names were disappearing – the Donaldson Line ceased to be a Member in 1967 after the last of its ships was sold. By then, however, the Club's membership was becoming much more international, with vessels registered in 49 nations. In particular Hong Kong owners, such as Unique Shipping Agencies, Ocean Tramping Co, Sun Line and Century Shipping Lines, were increasingly well represented.

Although shipping began to suffer in the wake of the oil price rises following another Middle East war in the autumn of 1973, the Club benefited from the many orders made by owners for new ships which were already being built. As a result, the Club's tonnage peaked in 1979 at 38.4 million grt. This represented 2,721 ships, a record number, of which 1,819 were dry cargo vessels, amounting to 18 million grt, 366 were tankers, amounting to 14 million grt, and 77 were containerships, amounting to just under one million grt. By the early 1980s the Club was increasingly favoured by owners from Hong Kong and Greece, whose ships accounted for more than 30 per cent and 16 per cent respectively of the Club's tonnage. The business was supplemented through the re-insurance of nearly a thousand ships for the American Club, amounting to almost four million tons.



Committee membership began to reflect the Club's growing international character. In 1964 William W Y Lee from World Wide Shipping and N J Ottley, representing the Onassis company, Olympic Maritime, both joined the Committee. J S Fafalios and C M Lemos became members in 1972 and 1973 respectively. In the latter year, it was acknowledged that 'since 1953 the composition of the Association's tonnage has changed very materially', almost entirely because of the entry of overseas vessels, making the existing Committee unrepresentative of the membership. Moreover, a number of substantial overseas owners had been expressing interest in becoming involved. The result was that in 1974

the Committee appointed as members Isamu Nishikawa from Sanko Steamship in Tokyo, Frank W K Tsao from International Maritime Carriers and Frank S B Chao from Wah Kwong & Co, both based in Hong Kong, Melvin Fincke from Marine Transport Lines of New York and R D Robin of the Australian National Line in Melbourne. In 1977 Admiral Nanda of the Shipping Corporation of India joined the Committee, followed in 1979 by P J Goulandris of Andros Shipping. To accommodate these changes, the Committee grew from 11 members in 1968 to 28 in 1986. By then 17 of the Committee's members were drawn from overseas fleets.



J S Fafalios became a Committee member in 1972. The first Fafalios ship was entered in the Club in 1949.

Frank Tsao was one of several international shipowners elected to the Committee in 1974 in recognition of the importance of overseas tonnage to the Club.





The first printed copy of what had become the Club's combined annual Report & Accounts.



In 1969 another UK shipowner, W F Robertson, succeeded J C Hawkes as chairman but the fortunes of his business reflected the continuing decline of the UK merchant fleet. Founded in 1852, William Robertson & Co was a coastal shipping company, its demise coming with the advent of the container trade. The business was sold in 1973 and ceased trading in 1980.

In 1973 Robertson's successor as chairman, Gerry Warnderink Vinke, was also an overseas member but he came from a company which had been represented on the Committee for a long time. Vinke & Co had first been invited to send a representative to the Committee in 1923. Based in Amsterdam, Vinke was established in 1860 and flourished until the shipping depression of the 1970s. All Vinke's ships were sold in 1985, when Holger Castenskiold of the United Baltic Corporation succeeded to the chairmanship. Although he himself was Danish, reflecting the origins of the business as a partnership between the UK's Andrew Weir & Co and Denmark's East Asiatic Company, United Baltic had been wholly owned by Andrew Weir since 1982.

The consequences of the growing complexities of managing ships continued to pose challenges for the Club's managers under a succession of senior directors. As the Committee heard in 1977, 'Traditionally, when most ships entered in the Club were of a broadly similar size, operating in broadly similar trades and flying the same flag, there was hardly any underwriting to be done; there was a uniform call rate which applied to all members' entries'. All this had changed, with varying sizes and types of vessel, varying approaches to claims from country to country, and the growing cost

of P&I insurance compared with hull insurance. Tom Wilding was succeeded as senior director by Bill Newson in 1964, followed by Fred Kentfield in 1972, Richard Knight in 1975, Brian Brooke-Smith in 1977 and John Hawkes in 1988. These transitions coincided with a period of rapid evolution in various aspects of the business, including communications. Initially most correspondence with Members was undertaken by letter which could take weeks and in some cases months to arrive. Only in the most urgent cases would cables be exchanged and telephone calls abroad were almost

The Port of Piraeus, one of the busiest in the Mediterranean, and the home of one of the Club's two overseas offices. Universal Images Group North America LLC / DeAgostini / Alamy Stock Photo

### Hong Kong and Piraeus

In 1976, to bring services closer to a more international membership, the Club opened its first overseas office in Hong Kong. Management had been devoting considerable resources to attracting Hong Kong shipowners to the club, but the decision to press ahead was made only after long deliberation. Despite the Club's caution, it was a pioneering move, making the London the first P&I club with a base in Hong Kong.

As well as servicing local Members, the Hong Kong office began handling claims for Japanese and Korean Members towards the end of the decade. It was also important as a focal point for winning new business and for visiting Members more widely dispersed across the region. This cemented the Club's established reputation for delivering a personal service and fostering closer relationships with Members, particularly when digital communications were in their infancy.

When the Hong Kong office was opened, it was also suggested the Club should open an office in the Greek port of Piraeus to better serve the growing number of Greek owners without offices in London and to attract business from other owners there. By the time the Piraeus office was opened in 1981, two other clubs were already established there, but its reputation grew rapidly. The annual reception, which had for many years been held at the prestigious Grande Bretagne hotel and then later at the spectacular Piraeus Yacht Club, was always a success, and became an established event in Greek shipping circles.





unknown. Even if a telephone call was essential, it was usually necessary to make a reservation with the operator and await his or her convenience for it eventually to be placed. The first big advance was the use of telex, where communication was almost instantaneous, but the messages needed to be written out by hand and then transcribed by telex operators. At the end of the period came reductions in the cost of telephone calls and the introduction of direct dialling. That, in turn, facilitated the introduction of facsimile document communications over the telephone line, speeding up the transmission of typewritten letters and even hastily scribbled messages. There was some initial confusion over the force of legal documents transmitted by facsimile but this was quickly resolved.



The Club's offices were at 17 Crosswall, seen here from Lloyd's Avenue, from 1974 to 1987.

The Club's offices moved to this building at 52, Leadenhall Street, London, in 1988.



During the same period Billbrough entered the computer age. The first system was launched in 1973-74 and lasted until its replacement in 2001. Claims-handling processes were upgraded at the same time. The Club's offices moved twice, firstly to 17 Crosswall in 1974 and secondly to 52 Leadenhall Street in 1987, while an outpost in Orpington, a far southern suburb of London, used as a claims-processing office for many years, was finally closed.

During the 1960s business came to feel that the political environment in the UK was becoming less friendly. This led the Club to

consider how best to protect its assets, which were increasingly originating from owners who were not British, and ensure that they were available for deployment internationally. In common with or similar to measures taken by other clubs, the London formed an overseas re-insurance subsidiary in the Bahamas in 1969, holding most of its assets. This lasted until 1972 when the activity was transferred to a new subsidiary based in Bermuda. A second re-insurance subsidiary was formed in Guernsey in 1971. The Club re-insured 80 per cent of its Class 5 liabilities into these entities.

### NS Savannah

One of the more unusual entries in the Club was the nuclear cargo ship Savannah. The application of nuclear power for generating energy on shore led to attempts to apply it to shipping. The first nuclear-powered surface vessel was the Russian ice-breaker Lenin. The Savannah, built in the US in the same year, 1959, was the second. The implication for P&I clubs was discussed by the London Group in 1960 which concluded that the risks were acceptable but political uncertainty and public disquiet resulted in no more than five such ships being built. The Savannah was entered as a chartered vessel with the Club in 1965.

Entered Ships: When the Savannah was built, nuclear ships were considered to have a bright future but their cost and their risk, political and otherwise, worked against them.  
World Ship Society Photo Library





## MV Port Invercargill

The Club faced its most expensive ever war risks claim during the 1960s as a result of military conflict in the Middle East. The story of the *Port Invercargill* not only shows the impact war can have on shipping but also the strength of the idea of mutual insurance embodied in the P&I Club. The support given by the London Club and the determination to find ways of assisting the owner and crew in extreme circumstances would be hard to find in the world of commercial insurance. The 10,463-grt cargo liner was built by Harland & Wolff for Port Line in 1958. On 13 May 1967 she left Melbourne loaded with general cargo for UK ports. She had the misfortune to enter the Suez Canal on 5 June 1967, the first day of the Six Day War between Egypt and Israel, which led to the Canal being blocked. The *Port Invercargill* was left stranded along with 14 other vessels. Her owners sought payment on account under her war risk cover for wages and other crew costs, maintenance, administration, depreciation and loss of profit. The length of detention endured by these ships exposed a gap in the war policies of the London Group of Clubs, partly remedied by the decision that for detentions in excess of 90 days compensation should be paid at the rate of ten per cent of the insured value of the vessel. In November 1968, with the ship still marooned, the Club facilitated the making of discretionary payments in addition to the losses covered by the Rules. One year later, with the vessel declared a constructive total loss, she was abandoned to the Club, which continued to maintain her with a skeleton crew. The abandonment was accepted and thus for what is believed to be the only occasion in its history, the Club became a shipowner! The same thing happened to three other UK ships with other Clubs, as well as two Swedish and two German ships. As clearing of the Canal began in the spring of 1974, a Greek shipowner offered in excess of a million dollars for the vessel. On 5 June 1975 the Canal finally re-opened and the *Port Invercargill* was towed to Port Said where she was taken over by her new Greek owners. Renamed *Kavo Kolones*, she returned to service until she was broken up in 1979.

Entered Ships: The *Invercargill* (second from left) is one of the two British and two Polish vessels seen here moored in Egypt's Great Bitter Lake on the Suez Canal on 8 February 1971. They were among 14 vessels stranded in the huge lake since the outbreak of the Arab-Israeli hostilities in June 1967.  
AP / Press Association Images



Ships continued to increase in size as international trade increased. Between 1962 and 1973 the size of the Club's biggest ships doubled. These were the giant super-tankers, such as the 119,626-grt *Conoco America* and the 110,062-grt *World Victoria*, both registered in Liberia and entered in 1973. The *World Victoria* belonged to World Wide Shipping as did an even larger vessel entered in 1976, the 133,894-grt *World Brasilia*. These were the 'Very Large Crude Carriers' (VLCCs). But most new vessels accepted by the Club were much smaller, generally dry cargo ships ranging between 5,000 and 20,000 grt, such as the 33 belonging to the Tai Lai Steamship Company, based in Taiwan, entered in 1973.

Bigger ships created greater risk exposure. Even though pollution cases made up a small percentage of the overall number of P&I claims, they accounted for many of the most costly. Among those dealt with by the London Club during the 1970s and 1980s were the breaking up of the *Ocean Eagle* at the entrance to San Juan harbour in Puerto Rico in 1968 and the pollution by the *Golden Sunray* of beds of nori, an indispensable part of sushi, off the coast of Japan in 1974.

It was the giant oil tankers that posed the greatest risk of pollution at sea. The anxieties long expressed by P&I clubs about the impact of a major oil spill were borne out to devastating effect by the *Torrey Canyon* disaster in 1967. The scale of claims exceeded the limits of existing international conventions, occasioned, as the Club's 1967 Annual Report pointed out, by 'the

extent of the contamination and the fact that the oil escaped on the high seas outside any territorial jurisdiction'. The US government immediately proposed unilateral action to impose an absolute liability on shipowners for the unlimited costs of oil spills within its waters. The P&I Clubs successfully argued that it was impossible to obtain any insurance with unlimited cover that would be sustainable in the face of claims with values far in excess of those previously contemplated. The 'unlimited' cover given by the clubs was possible only if denying limitation of liability to an owner was the exception rather than the rule. As a result, US legislation was amended to preserve the principles of no liability without fault and a restriction on an owner's exposure. Meanwhile, clubs, owner associations and oil companies sought to reassure governments elsewhere by introducing voluntary schemes, known as TOVALOP and CRISTAL, for compensating victims of pollution by persistent oils without the need to prove liability. Meanwhile, US pressure also spurred on international work by the Inter-Governmental Maritime Consultative Organisation, later the International Maritime Organisation (IMO), which produced the International Convention for the Prevention of Pollution from Ships in 1969, effectively giving the force of law to the voluntary schemes and endeavouring to encourage uniformity of legislation. Ironically, given its pressure for international action, the US neither ratified that nor subsequent Conventions.

The response of the US, however, was a sign of difficulties to come, with the punitive unilateral





## Amoco Cadiz

The brand-new 190,700-grt *Amoco Cadiz* was entered with the London Club on 20 February 1978. On 16 March the tanker's steering gear failed in heavy weather off the coast of northern Brittany. Attempts to prevent her running aground failed and she struck rocks in the late evening. The crew were taken off by helicopter, leaving the master and a marine safety officer on board until the condition of the vessel became too unsafe. 'The tanker', stated the report received by the Committee, 'quickly broke up, ultimately losing her entire cargo of 221,000 tons of light crude, which caused substantial pollution to the coast of Brittany over an area of approximately 60 miles.' It took until 1992 before all the claims were settled. The US courts denied Amoco the right to limit its liability and awarded damages to French claimants and to Shell as the owner of the cargo. With the support of the pool and its re-insurers, the Club paid out more than \$50 million for non-government pollution claims, settled Shell's cargo claim for \$63 million and reimbursed Amoco for non-pollution related liabilities of \$13 million. Amoco settled with the French government in April 1992, agreeing to pay it \$230 million. Relations with the French government over the case were initially very hostile, but they had become warmer by the end. John Hawkes of Bilbrough (son of the former Club chairman) handled the matter and, as the government's claim was to be settled at a meeting in France, he travelled there on behalf of Amoco with a cheque for the very substantial amount involved. It was reported that the meeting was so convivial that as it came to an end John Hawkes forgot to hand over the cheque and the French officials forgot to demand it. These oversights were soon corrected. Thanks to the pooling agreement and excess re-insurance, the net cost to the Club came to \$1.3 million.



Entered Ships: The remains of the *Amoco Cadiz* off the coast of Brittany in March 1978. Topham / AP



approach to catastrophes taken by some sovereign states contrasting with the more measured response from the IMO. For instance, the need of a vessel in distress to find and enter a place of refuge was disregarded several times by sovereign states in the late 1970s. The reason was that the ships concerned were oil tankers regarded as a pollution threat by the governments involved. Two vessels, *Christos Bitas* and *Andos Patria*, involved in separate incidents in 1978 were entered in the London Club. The first, instead of being allowed refuge in a UK port by the Coastguard, was instead ordered to remain at sea. Fortunately conditions were sufficiently benign for most of the cargo to be transferred into another ship and the vessel was sunk in deep water. The second (which sank later in the year) suffered a crack at sea, followed by a fire off Spain, but her requests for refuge were denied successively by Spain, Portugal, France and the UK. The crew were evacuated and the cargo discharged by salvors in the Azores. In both cases the worst consequences of refusal of refuge were avoided, but difficulties in obtaining it were to persist, with disastrous consequences in another casualty involving the Club off Spain three decades later.

In 1977 the Annual Report had noted how 'the spectre of a catastrophic oil spill still hangs over the tanker owner and his P&I Club'. The prophetic nature of that remark was not only illustrated the following year by the cases referred to above, but most particularly when the *Amoco Cadiz* foundered off the French coast in the same year, causing massive pollution.

Corresponding to the unprecedented growth of liability exposure during this period, the pool and its market re-insurances became increasingly important. The Club was able to recover significant sums, not only in relation to the *Amoco Cadiz*, but also, for instance, \$30 million for collision and other damage claims in 1979. The payments noted above in respect of the *Amoco Cadiz* led to very substantial increases in re-insurance costs for the pool and therefore Clubs.

If the bigger oil tanker transformed the carriage of oil at sea, the containership revolutionised the carriage of general goods. The general cargo ship, once the staple entry of the Club, was steadily replaced by bigger and bigger containerships. The container revolution truly began with the launch of the first transatlantic service in 1966, stimulating a spate of orders for purpose-built ships designed to carry only containers of standard sizes. This revolution cut the cost of ocean transportation and helped to create a global network of integrated supply chains. It was the implications of this door-to-door service that the London Club was quick to recognise. In 1967, in response to demand from Members, the Club added Rule 7 (hh) to cover liability for loss or damage to property under contracts of through carriage including transport ashore.

A completely different type of port was required to support the containership. Specialised cranes facilitated rapid loading and discharge, while ashore fork lifts and later 'straddle carriers' sorted and moved the cargo





## MV Sibonga and the boat people

The impact of war on shipping was highlighted by the case of the *Sibonga*. The 11,282-grt vessel, owned by Bank Line, left Bangkok for Hong Kong on 19 May 1979. Two days later distress signals were seen from a boat filled with Vietnamese refugees: 'the boat was leaking and the refugees were in a poor state of health, including a large number of women and children. In the circumstances, the Master felt he had no alternative but take them on board'. Reaching Hong Kong on 24 May, the vessel was ordered to anchor off a nearby island, then directed on 29 May to the Western Quarantine anchorage, where the authorities arrived and began interviewing and counting refugees, of whom there were more than a thousand on board. The ship was allowed to discharge and load containers at the anchorage, but only on 4 June, after guarantees by the UK

The Committee approved settlement of the British Goods Board claim for £54,023.

\*"Gladolus" - Collision with "Herborg" - October 1975.

The Committee approved Janera settling the claim of the "Herborg" for \$357,354.

Claims ratified by the Committee:-			US\$	£
"Mary"	Apr. 79	Damage to Cargo	163,436.27	
"Eosa"	Feb. 75	Damage to Cargo		75,354.33
"Loun Haing"	Oct. 75	Loss - Crew Claims	89,144.84	
"Transcolorado"	Feb. 77	Injury to a Crewmember	75,000.00	
"Ivy"	Jan. 76	Catal loss - Crew Claims	58,249.95	
"Sibonga"	May 79	Vietnamese Refugees		79,428.75
Carried Forward .....			385,833.06	111,983.08

government, was the ship allowed to berth at Kowloon Pier. The refugees disembarked, sailing later that day for Vancouver. Neither the United Nations nor the British government would refund the vessel's expenses so the Committee exercised its power of discretion for the Club to meet these costs and subsequently altered the Rules to cover such cases in the future.

around large storage areas so that sea-bound containers were loaded in the right order or those bound inland were ready for onward carriage. The demise of traditional ports and old working practices heralded a period of industrial strife in port and at sea, which became so acute in the late 1960s that the Club introduced a completely new class, Class 9 or

the Strikes Class, in 1967. This was eventually wound up in 1988.

During this period third-party claimants became keen, as a matter of routine, to seek security for their claims against shipowners, leading to more and more ships being threatened with arrest. To save their Members

the cost and delays involved with providing bank guarantees, Clubs began providing their own guarantees to claimants in cases they covered. Clubs recognised the importance of honouring such guarantees and this made them almost universally acceptable to more sophisticated claimants. When the occasional claim was not secured in this way, claimants sought other means of gaining access to club cover. In the UK, for instance, legislation gave claimants a right of direct action against liability insurers. But this legislation did not give a third-party claimant any greater rights against an insurer than those of the original assured. This was tested by the Club in 1979 in a landmark cargo damage case involving the *Vainqueur Jose*. The ship had become a constructive total loss in 1969 but the third-party cargo interests only began proceedings in 1975. In the meantime the owner had become unresponsive. Among the Club's Rules was (and remains) a provision enabling the Committee to exercise a discretion to make a deduction from a claim if the Member should fail to report it and fail to act as a prudent uninsured. In the event the claim was not reported properly to the Club and it went undefended, leading to a default judgement against the owner for the full amount claimed. The court found that the Committee had been justified in making a 100 per cent deduction from the claim and that since the third-party cargo interests had no better right to recover from the Club than the owner, the Club was not liable under the legislation. The case involved Bilbroughs' senior director and two members of the Committee giving lengthy evidence in court.

By the mid-1980s cargo cases still accounted for more than one-third of all claims. Since these were often difficult to defend, the Club stressed repeatedly that the highest standards of care and maintenance were needed to prevent claims arising in the first place. Since older ships proved more susceptible to claims for damaged cargo, the Club brought in a series of measures to enhance control of risk. Initially older tankers and dry cargo vessels were refused entry. Poorly managed fleets with heavy claims records were given notice of termination. From 1977 regular ship-condition surveys were introduced. Originally this applied to all vessels submitted for entry over 15 years old, a limit steadily reduced as the age profile of ships in the Club fell and claims persisted. By 1987, when the policy applied to vessels ten or more years old, the Club's managers could report that the surveys 'have been instrumental in promoting a greater awareness of the need for conscious maintenance'.

Meanwhile, where ships were to carry cargoes of steel, particularly vulnerable to any water ingress, the Club's surveyors inspected hatch covers to ensure they were watertight. Moreover, given adverse experience of claims for rusting of steel products when there was no evidence of any water leakage through the hatches, the Club began helping Members by arranging surveys of the cargo upon loading. Although these measures led to considerable improvement in relation to damage already apparent, they were not perfect. For example, steel carried unprotected to ports on wet roads in northern Europe during the winter would

The minute relating to the settlement of the claim for the *Sibonga* which rescued Vietnamese refugees in 1979.





## The Skyway Bridge disaster

On 9 May 1980 the 19,735-grt *Summit Venture* struck the Sunshine Skyway Bridge which carried a four-lane dual-carriageway highway over the main shipping channel near Tampa in Florida. Striking the pillars of the outer bridge carrying the south-bound highway, the vessel caused the collapse of more than a thousand feet of the elevated section. Thirty-five people died as vehicles fell into Tampa Bay, most of them passengers in a Greyhound bus. The ship was in ballast and under the control of two pilots as she entered the Bay and approached the bridge; she was in perfect working order and equipped with a full set of up-to-date publications. The ship was hit by a severe squall and because of the strong winds she did not respond adequately to rudder commands. Huge claims arose for loss of life, reconstruction of the bridge and economic losses. With a team of 14 lawyers, legal costs were substantial. Although the bridge itself had been criticised for not being provided with protection around the main piers and other near misses had been reported, the various claims were finally settled in 1986, costing the Club in excess of \$36 million gross, highlighting the importance once again of the pooling agreement and its excess loss re-insurance.



Entered Ships: The freighter *Summit Venture* struck the Skyway Bridge during bad weather in May 1980, causing the collapse of a large part of the span.  
Jackie Green / AP/Press Association Images

often be sprayed by the wheels of other traffic with salty water, yet not show any immediate signs of being affected. But on discharge in the USA the cargo would show serious rusting damage after the salt had taken effect.

The lengthy shipping depression of the 1980s proved difficult for many Club Members. In 1986, for instance, the Club's managers reported how 'our members were seeking help in these difficult times'. This pressure seemed to justify the Club's policy of holding lower levels of reserves, a policy heavily stressed in the Club's 1988 Annual Report and deeply rooted in the concept of mutuality. Long-standing Members with a long-term view did not consider that the Club needed substantial reserves on the grounds first that shipowners could make better use of their capital; and second that they would meet the Club's need for additional funding, by way of supplementary calls, if and whenever it might be required.

This was not, however, a view universally held and the Club's policy exposed a growing diversity of approach amongst shipowners; those in Asia and the US in particular taking the view that as much certainty as possible over costs was essential for their budgeting. Newer Members especially found the idea of paying large unbudgeted sums to cover liabilities from previous years difficult to comprehend.

The Club's policy was challenged by a run of major claims during the late 1980s. During the first half of the decade all the clubs had

benefited from a period of low claims, which correlated with the depressed freight market – shipowners tended to take their ships out of service for maintenance during such periods, improving their condition. This experience was sharply reversed in the second part of the decade, with a huge growth in claims in 1987, taking them to a much higher level until 1990. This trend was aggravated by new claims arising for policy years prior to 1987 previously considered closed and by escalating pool claims which included the catastrophic oil pollution caused by the grounding of the tanker *Exxon Valdez* in Alaska in 1989. By then it was clear that the Club's funds were far from sufficient to cover the substantial increase in cost and leave a sufficient amount in reserve. As a result, Members were required to pay not only very large percentage supplementary calls for the three years in question but also significantly increased advance calls. One fleet's insurance manager was reported as saying he could not accept that his owner's ships should have to bear the proportion of his calls representing increased re-insurance costs and pool contributions when they had nothing to do with his own record.

The London Club was the first to take action; one Member asked why other clubs were not taking similar measures. But others were not immune to the pressures, although some were able to delay or avoid unbudgeted calls by holding greater reserves or re-insuring their pool retentions. Eventually the inevitable could be avoided no longer and members of most clubs also faced heavy increases in calls.



## The London P&I Club

In the meantime confidence in the Club had been undermined and a number of shipping companies withdrew a substantial volume of tonnage. The result was that the Club's entered tonnage fell from just under 31 million tons in 1988 to less than 20 million tons in 1991. For the

majority of Members who stayed with the London, however, effectively underwriting the Club's new higher levels of capital, their decisions were a demonstration in difficult times of their resolute commitment to the principle of mutuality.



# 1989-2002 7

**The loss of tonnage suffered by the Club led to a series of reforms in the early 1990s. In particular the Committee took a more active role in the Club's affairs and on issues such as re-insurance and limiting cover played an important part in helping to shape the policies adopted by the International Group (which had succeeded the London Group).**

As the Club's financial difficulties unfolded, the Committee lost no time in taking action. In July 1989 a comprehensive review was undertaken, the results of which included the introduction of important changes to further strengthen its oversight of the Club's financial strategy. This heralded an era which continues to this day, of generous commitment of time by members of

The Club's offices at 50 Leaman Street, London, which it bought in 1996.





the Committee to the affairs of the Club; regularly receiving reports and working in close cooperation with the managers in a collegiate atmosphere. The remit of the Audit Committee in relation to financial matters was widened and it became the Finance and Audit Committee (FAC). The FAC met frequently with management to develop plans to improve financial performance; in future calls would be set and levied at a level intended to optimise funding, improve cashflow and help generate more investment income. A special reserve would be created, allowing surplus funds from one year to cover deficits from others and the Club's investment strategy would be revised with asset classes becoming more diverse. As a consequence, the Committee became a much more active body, maintaining its traditional

interest in claims and underwriting while devoting more attention to the Club's overall financial position. These moves were also welcomed externally. In April 1991 the Club's managers reported to the Finance and Audit Committee that 'there is a general perception in the market that the Association has addressed its problems realistically'. In 1992, as a result of these measures, the Club declared a surplus of \$36 million as well as invested assets of more than \$180 million for the first time since 1985.

While these changes were under way, Russell Peters from Fyffes Group took over as Committee chairman in 1993, followed by the current chairman, John Lyras, in 1996. Edward Mocatta became senior director of Bilbrough in 1992, succeeded by Graham Edmiston in 1996.

In 1995 the Club moved offices once more, this time to Leman Street, on the very eastern edge of the city. A new office building was purchased, which marked a change in philosophy for the Club. Historically, it had been received wisdom in the industry that assets should be maintained in readily realisable form, which, along with the traditional policy of holding the minimum necessary working capital, had led clubs to rent space for their managements. The early 1990s marked a prolonged period of recession in the UK economy and newly constructed office buildings were becoming available at distressed prices. Consistent with the new policy of holding more substantial and diverse assets, the Committee took advantage of the opportunity and purchased an office building for the Club's management. The decision to choose a location on the fringe of the city proved very beneficial in the longer term, since Leman Street has prospered in the new millennium, with a substantial number of new developments in the vicinity.

The Club began rebuilding its tonnage. It won new Members from countries such as Argentina, China, Finland, Italy, Iran, Norway and Peru. Many entries were for more recently built and generally larger ships, with the size of all vessels entered averaging nearly 29,000 grt by the late 1990s. The Club concentrated on attracting vessels in the blue water trades, mainly dry bulk carriers and tankers, and began withdrawing from the litigious US market. (In 1999 the American Club withdrew its tonnage, obtaining its re-insurance from the commercial market instead.) By 1995 tonnage had recovered to just

over 28 million tons, stabilising at this level in a competitive market for the next ten years or so. By 2002 93 per cent of all entries were bulk carriers, tankers or containerships and the average size of vessel had become even larger (34,000 grt).

Increased marketing helped the Club to win new Members as well as more entries from existing Members. This was particularly successful in the Asia Pacific region, helped by the Club's presence in Hong Kong. By 2002 one-third of all Members were based in Asia. The largest Asian owner in the Club was the Malaysia International Shipping Corporation (MISC), which had first entered ships in 1969. At the same time, Greek owners continued to be a mainstay of the Club's membership, accounting for almost half of all entries. The largest single owner was the Ofer Group, which first entered vessels in the Club in 1966, followed by MISC and the Greek-controlled Golden Union Shipping.



Entered Ships: The Bahamian chemical tanker *Lancer* exploded in the Parana River, Argentina, on 1 January 1998. Two crew died and the vessel was declared a total loss.

Russell Peters, Committee Chairman, London Club, 1992-96.

John Lyras, Committee Chairman, London Club, 1996-





Another factor in helping the Club's recovery was the close working relationship between the Committee and the Club's managers. In 1996 John Lyras observed that 'The Club has a reputation for having a very active Committee, which plays a pivotal role in determining the Club's policy on important general issues. I feel that there is a healthy balance in the relationship between Committee and Managers within the Club. The Committee respect the competence, commitment and experience of the Club's Managers and give careful consideration to all their recommendations but the Committee do not "rubber stamp" these recommendations. Equally the Managers pay careful attention to the Committee's views and are scrupulous in executing their decisions.'

Moreover, as Lyras remarked in the 1997 Annual Report, 'We know what owners want. It is up to us to deliver'. More sophisticated claims data and analysis systems were introduced and a Loss Prevention Department was created. A study into major claims confirmed that most of them arose through human error.

This was not an easy time for the clubs. The market for marine P&I insurance was increasingly competitive, not only between clubs themselves but also between clubs and commercial insurers who had started to offer fixed-premium cover. Some clubs, weakened by the impact of competition, did not survive, notably the Newcastle and the Liverpool & London from within the International Group, though they were run-off satisfactorily and continued to pay claims. Competition from

commercial insurers often proved short-lived as they discovered the reality of the risks of P&I insurance with its so-called 'long tail' claims, though they were often replaced by new entrants. Those proving more resilient tended to concentrate on niche markets. The London Club, noted the Club's managers in 2001, 'continues to maintain its strongly defined underwriting philosophy of concentrating on larger units in areas where the Association has extensive knowledge of the local market'.

Commercial insurers tended to take advantage of the clubs' established worldwide networks of correspondents, often taking them for granted. These networks remained invaluable for the clubs. Correspondents were in the front line of the defence of claims, occasionally even suffering physical assault by aggrieved claimants. The London Club, for instance, was by this time maintaining links with 400 organisations. Acknowledging the importance of the work they carried out, the International Group organised the first correspondents' conference in 2001. Bringing them together with Club claims handlers helped all to gain a better understanding of the challenges each were facing as well as conveying an understanding of the developing needs of clubs and their Members.

During this period the International Group came under increasing scrutiny from regulatory authorities. The agreement between clubs to pool claims and collectively purchase re-insurance is of huge value to clubs and their Members. It has allowed clubs access to each

## Correspondents

Some correspondents have represented the Club for more than a century, often being family firms. The firm founded by the Pinto Basto family in Lisbon in 1771 is believed to be one of the Club's oldest correspondents. S W Garbutt, based in Messina, traces its roots back to Arthur Barrett, appointed by the London Club in the 1890s. In Mumbai in India, James Mackintosh has been the Club's correspondent since at least 1916, while in Montevideo, Uruguay, Chadwick Weir probably became the Club's correspondent when the firm was founded in 1918. Similarly M Dizengoff has represented the Club in Haifa since the firm began in 1928. These ties stand the test of time because they are based on mutual respect, trust and understanding. The respect shown by the London Club towards its correspondents was described by Shimon Ziv, Dizengoff's General Manager, as part of 'the special spirit of the London P&I Club'.

The role of correspondent has changed over the years, especially with the advent of advanced communications. This, say James Finlay, the Club's correspondents in Karachi, underlines the expectation that the correspondent must 'provide an efficient and speedy service'. They handle matters large and small. Alan McLean, for instance, the correspondent in Marseilles since 1975, acted for the Club during the very demanding Amoco Cadiz catastrophe. James Mackintosh summed up the work of a correspondent today as 'appointing experts and supervising work done by the experts in respect of cargo surveys and ship surveys, attending on board ships whenever required, liaison with local authorities, facilitating guarantees, attending to stowaways, advising agents regarding Customs laws and practices, reporting to the Club and Members frequently, providing advice on the local situation'. The Club recognises the value of correspondents in supporting its Members. For instance, from time to time the Club offers the chance for correspondents' staff to train in its own offices, working alongside claims handlers.

others' capital to mitigate the effect of large claims and very substantially to reduce the need for commercial re-insurance, with the savings passed on to shipowners. But the willingness of clubs to do this is based on an agreement that no one club would seek to attract business from another by offering premiums below a level justified by the claims record and risk. This agreement, known as the International Group Agreement, was investigated by the European Union (EU) as being anti-competitive. The Group satisfied the authorities, however, that it played an essential part in supporting the

pooling agreement and thereby shipping worldwide. As a result, the Group was granted a ten-year exemption from EU competition regulations in 1985. This situation had not changed by the time the exemption came up for renewal but once again the Group had to convince the EU of the benefit of the agreement. Representations continued over several years, and the Group offered to make adjustments to enhance competition. In 1999 the Group was granted a second ten-year exemption from the EU's competition provisions.





Within the Group several clubs, including the London, took up two key issues, the pool's reinsurance and a proposal to limit Member liability for overspill calls. The substantial claim on reinsurers arising from the *Exxon Valdez* episode had reinforced the notion among some in the reinsurance market that the Group represented too great a risk in relation to dirty oils pollution. That had led in turn to very large increases in reinsurance cost which had come to represent a much greater proportion of Member premiums than had been the case historically. Concerns which had already arisen, over a lack of transparency in the manner in which the reinsurance program was structured and negotiated, were reinforced and these factors were leading to a loss of confidence in its cost-effectiveness. Historically the Group's reinsurance sub-committee had been chaired by its broker's managing director, hardly encouraging confidence in this aspect of the Group's affairs. The Committee encouraged the managers to become more active in the sub-committee and with the support of some other Clubs, this led to enhanced supervision of the broker and various other improvements in the processes involved, amongst which was the introduction of a second competing broker. This, along with improvements in the claims record, led to the cost of the reinsurance programme for 1997 being reduced by more than 40 per cent.

As noted earlier, a particular feature of the Club's insurance was its unlimited cover. This was given on the basis that should a claim exhaust the pool's excess of loss re-insurance,

payment of it would revert back to the pool itself and clubs would, if necessary, make unbudgeted 'overspill' calls on Members without limit. This approach was increasingly unrealistic in view of burgeoning shipowner liabilities and with Members' capital obviously not being unlimited. Setting a specified limit on cover was not regarded by some clubs as the answer, however, with governments tending to see the industry as having deep pockets and as liable to regard a fixed limit on cover as a target for the setting of statutory liability limits on shipowners, regardless of the fact that the pool would be unable to withstand multiple high-limit claims.

The London Club had long favoured finding a mechanism for limiting overspill calls, being very conscious of the threat posed by unlimited cover to shipowners' capital. It was not convinced that a fixed limit on cover would necessarily be regarded as a liability target, noting that governments had not taken advantage of the pool's decision some decades earlier to set a limit on pollution cover. In particular, the Committee was concerned about growing exposure from larger cruise ships carrying many more passengers and crew, as well as much-increased passenger liability limits, combined with the potential threat from terrorism to such ships.

In 1992 another club, the UK, had urged a limit on cover (and thereby a limit on overspill calls) but the International Group had been split over the issue. A compromise was proposed by which calls would be limited based on entered

tonnage, but the amount of available cover would vary depending on the total amount of tonnage pooled by all the clubs. Most clubs agreed, but the London Club's Committee regarded the limit as far too high and representing an insufficient reduction in the exposure of shipowners to overspill calls. With liabilities and exposure seemingly increasing uncontrollably, the question facing the Committee was whether leaving the Group and the pool and abandoning all their benefits was justified in order to protect Members from excessive overspill exposure. The Club began to campaign strongly against the compromise and this led others to begin questioning it. A crisis within the Group resulted, with its future even being called into question. Shipowner Associations, disturbed by the Group's failure to find a solution to their unlimited exposure to calls, began lobbying the Group. The issue was taken up by the shipping press and also attracted the attention of the EU competition authority. In particular, the EU was concerned that the dominant position of the Group prevented shipowners concerned about their

financial exposure from seeking suitable alternative insurance. In 1997 the Group responded to this growing pressure by agreeing a more realistic limit on the call exposure of shipowners. This settled what had been one of the most challenging and divisive issues ever faced by the International Group and it illustrated that the Club, initially acting alone, was able to exercise influence in the Group.

The fact that shipowner groups had felt it necessary to exert external pressure on the clubs led John Lyras to express regret that the managers of some clubs had not consulted more widely. There was, he said, a risk that sometimes managers 'may not fully appreciate the practical implications of policies which they are developing or the depth of feeling which these may engender among shipowners'.

Structural failures were affecting tankers as well as bulk carriers, but the ships were remaining afloat for much longer and so loss of life was usually avoided. Nevertheless, major oil spillages often resulted, leading to legislation

## MV Algarrobo

In the early 1990s a dozen or more bulk carriers were sinking at sea every year, often with the loss of most or all of their crew. These losses prompted stronger inspection procedures and stronger rules governing design and building to improve the safety of such ships. The 89,178-grt *Algarrobo*, entered in the London Club, was a typical example. She left Huasco in Chile bound for Kawasaki with a full cargo of iron ore on 16 September 1990. She was last heard of two days later. Despite air searches by the Chilean and US Coastguards along the intended route, 'no trace of the vessel, debris or survivors has been found'. The vessel went down with a crew of 32. It was concluded that 'the vessel was overtaken by a catastrophic event'.





increasing liabilities for shipowners. The Committee was especially critical of unilateral legislative moves in the US, where cases of pollution were perceived as presenting opportunities for profiteering and claims were regarded as excessive. There was also concern that international conventions were being undermined by such unilateral action. Government intervention was again provoked by the sinking of the *Erika* in 1999 when the heavy fuel oil she was carrying badly polluted the Brittany coast. The French government began pressing for compensation levels to be increased beyond those in existing conventions. Questions about who was responsible for the ship's management and maintenance represented another example of frustration on the part of governments at their inability to identify or apprehend the real culprits. This was tending to increase victimisation of ships' masters and crew and was the most disturbing aspect in the case of the *Erika*. Despite there

being no legitimate criticism of her master, he was locked up for some time in a French prison. The case involved another club, but the London was to encounter its own case just a few years later involving the same harsh, uncivilised and unjustified approach.

The approach of western developed nations was in contrast to the more measured responses of other governments. When the 51,095-grt *Natuna Sea*, also entered in the Club, ran aground off Indonesia on 3 October 2001, escaping oil caused significant pollution over a wide area, including parts of Singapore. An intensive clean-up exercise was carried out almost immediately. Indonesia and Singapore observed the International Convention on Civil Liability for pollution, of which they were signatories, which limited the vessel's liability to \$29 million, and the owner established a local limitation fund. The ship was refloated on 12 October and released on 20 December.

### Modern piracy

Piracy has been an enduring problem for shipping, ebbing and flowing with changes in economic conditions, enforcement of the law and the availability of cheap technology and weaponry to those willing to operate unlawfully at sea. A particularly disturbing case handled by the Club involved the Panamanian-registered 10,373-grt bulk cargo carrier *Cheung Son*. On 13 November 1998 she sailed from Shanghai to Port Klang with a cargo of furnace slag. The last report of her position was received on 16 November and the vessel was presumed lost at sea. But in January 1999 fishermen near Shantou recovered the weighted bodies of ten of the 23 Chinese crew, all with their hands and feet bound. It was assumed the vessel had been attacked by pirates and that the rest of the crew were also dead. It turned out that the attack on the ship had been masterminded from China. Eventually 38 of those involved were convicted by a Chinese court of the hijacking and 13 were sentenced to death. The ship was repainted and turned into a so-called 'phantom ship' before the pirates were caught. She has never been recovered.



Entered Ships: The 157,000m<sup>3</sup> LNG ship, *Seri Balhaf*, is entered in the Club by MISC Berhad.

# 2002 onwards 8

**The Club continued to expand throughout this period in spite of the downturn in the world economy occurring from 2008. Financially robust, well managed, with an active Committee, the Club has retained the confidence of existing Members while attracting new ones from its established markets as well as other parts of the world where measures have been taken to grow its**

**visibility and reputation. The Club has continued to support members as shipping faces new and emerging challenges, helped by its specialisation and strong focus on core P&I business.**

The Club did well during the resurgent shipping boom of the early 2000s. Under John Lyras, the expertise and experience of the Committee





offered stability and continuity. At Bilbrough Graham Edmiston handed over to Paul Hinton as senior director in 2003, followed by Ian Gooch in 2009. After several years of maintaining aggregate tonnage at around 30 million grt, the Club expanded steadily. By 2009, the owned entered tonnage exceeded 40 million grt.

During 2008, however, the global economic crisis had led to a drop in investment income at the same time as the Club saw a substantial rise

in major casualties. As the Committee heard, 'these casualties were brought by small vessels and large, by new vessels as well as older ones'. The combination of these developments led the Committee to charge supplementary calls, albeit at lower levels than in the past. The London was not alone and other clubs took similar action, limiting the resulting loss of confidence and therefore tonnage.

The Club's growth then resumed, with the owned entry reaching more than 44 million grt

Entered Ships: The 47,379 gt LPG carrier, *Challenger*, is entered in the Club by Dorian LPG (UK) Ltd.



Entered Ships: The 1,103 TEU containership, *SITC Osaka*, is entered in the Club by SITC Insurance Brokers (HK) Company Limited.

Entered Ships: The 6,350 TEU containership, *Hyundai Tacoma*, is entered in the Club by Eastern Pacific Shipping (UK) Ltd.



in 2015. Such progress reflected confidence in the Club and the value placed by Members on its approach, all at a time when the cost of insurance was under closer scrutiny as freight rates tumbled further. It was also a sign of the success of marketing efforts, not only in the Greek and Asia Pacific markets, where the Club was traditionally strong but also in countries such as the United Arab Emirates, Cyprus, Switzerland and Turkey, from where the Club attracted new entries. Nevertheless, membership continued to be concentrated in southern Europe (43 per cent) and Asia Pacific (34 per cent). The Club was also successful in attracting more chartered tonnage, which reached over eight million grt in 2015.

Ships entered in the Club were still growing in size, reaching an average tonnage of 42,000 grt by 2015. Sixty per cent of ships were no more than nine years old and the fleet still largely comprised bulk carriers (56 per cent), tankers (23 per cent) and containerships (16 per cent).

Major claims continued to have a considerable impact on the Club's finances; in 2014-15, for instance, the Club handled 14 claims exceeding a million dollars each. The Club also had to contribute towards other clubs' claims involving the International Group pool. But while adverse claims experience put further pressure on underwriting results, technical losses were compensated for by good investment returns, even in the face of increasingly challenging markets. Much of this was attributable to disciplined investment risk management by the board of the Club's Bermudan subsidiary, which continued to hold most of the funds, and its advisors. Credit ratings agencies regarded the Club's overall financial strength as robust but the Committee nevertheless acknowledged the need for improved underwriting performance. So premiums were generally increased on renewal, to lessen dependence on investment income, and deductible levels were also increased. Like other clubs, the London was also subjected to stringent new capital and risk management requirements imposed by governments in the wake of the





banking disasters which had triggered the global economic crisis.

The Committee and management were never interested in growth for its own sake and were always very conscious of the risk of the dilution of standards of service reportedly suffered by some bigger competitors. With costs growing (as a result of increasing regulatory pressures and

the need to remain at the forefront of technological change), however, an increase in the Club's size became an important objective. So marketing efforts were further stepped up, and measures taken to improve the competitiveness of the Club's war risks cover together with its cover for charterers. This went hand in hand with broader underwriting strategy, accommodating ships of a greater

range of sizes and ages. Underwriting and other resources were strengthened, including in the Club's offices in Hong Kong and Piraeus which were playing increasingly major roles, from larger premises than in the past. The growth of the Hong Kong office reflected the rise of China as an economic power and the development of substantial Chinese fleets. Hong Kong remained the gateway to mainland China

and an ideal base for the Asia Pacific region thanks to its geographical location and excellent communication networks. At the same time, the developments in the Piraeus office reflected the status of the Greek-owned fleet as the largest in the world.

Progress of this sort was in tandem with other initiatives developed by the Club including an

The Club's offices in Hong Kong and, opposite page, Piraeus.







Recent receptions held by the Club in Hong Kong, Piraeus and Istanbul.

upgraded website, the dissemination of regular news bulletins and other loss-prevention publications, and a worldwide programme of Member seminars, workshops and other events. Members valued in particular the more frequent visits they received from the managers, appreciating the increasingly personal and direct contact offered by the Club. By the same means management was able to develop a better understanding not only of the ships entered by any Member but also the nature of their business and the trading patterns followed by their fleets. All of this contributes towards the aim of the Club to provide effective and understanding support to Members.

More recent years have seen other changes in the business. The nature of claims has evolved and they tend to be fewer in number although generally more costly and more complex. The number of claims related to defects on board ship, such as faulty hatch covers, has been in decline, reflecting the evolution of government and classification requirements and inspection regimes. Following several disastrous oil spills, several states in the early 1980s had begun developing a parallel system of regulation. Port State Control, as it became known, was designed to eliminate sub-standard ships, and since the millennium has become widely adopted across most parts of the world. The impact of this regime was heightened by the



introduction of the International Safety Management Code, especially the revised version of the code in 2002. Measures taken by the clubs, such as the London Club's own regular ship inspections and the work of its loss-prevention department, have also helped to raise safety standards. The introduction of double hulls for tankers reduced the number and values of pollution claims, but the financial effect of such developments was reversed by a very substantial increase in the cost of wreck removals, related to the technical challenges resulting from the increasing size of ships and government interference in salvage operations.

At the start of this period the most serious claims related to the continuing losses of bulk carriers. Such losses were less frequently caused by deficiencies in design, construction and maintenance, but more by the shifting of cargoes of certain types of ore that had been left in the open to become wet before shipment. Collisions with fishing vessels were more common, highlighting increased traffic at sea, particularly the growth of fishing fleets. Small fishing vessels are frequently hard to see on radar and difficult to pick out visually





## Prestige

In no single claim were members of the Committee and management more deeply involved than the case of the *Prestige*. On 13 November 2002 during a storm off the north-west coast of Spain, the Greek-managed 42,820-grt single-hulled oil tanker suffered damage which caused one of her tanks to burst open. The captain, Apostolos Mangouras, asked for help from the Spanish authorities. Fearing the ship was in danger of sinking, he expected permission to be given for her to be brought into harbour. Permission, however, was denied. The ship was also refused safe haven by the French and Portuguese authorities. Left without refuge, the ship's condition deteriorated, leading to part of the hull breaking off, causing a substantial spillage of her heavy fuel oil cargo. On 19 November the ship split in half and subsequently sank off the Spanish coast, releasing even more of the cargo. Fortunately the crew were saved, but the Spanish authorities promptly arrested the captain, accusing him of harming the environment and failing to co-operate with the authorities. Bail was set at \$3 million, far beyond Mangouras' means and despite the fact that it was not normally the practice in Spain to jail prisoners of Mangouras' age. The impact of the spillage on the Galician coast was severe and it was widely acknowledged that this was yet another example of a ship's captain being made a scapegoat, not least in this case to divert attention from the unfortunate decision of the authorities to refuse the ship refuge. In view of the disproportionate amount of the bail and other particular circumstances, the Committee agreed that under the discretionary claim Rule, the Club would advance the bail. As noted earlier, this unjust criminalisation of crew had been occurring for some time (and was to continue, for example in the case of the *Tasman Spirit* in Pakistan in 2004), but this was an extreme example. Quite apart from injustice, criminalisation hampers the investigation of and the learning of lessons from casualties. Meanwhile, there are now some signs of governments, with Britain in the vanguard, beginning to learn that it may, paradoxically, save their coastlines and economies from the worst consequences of pollution if they grant distressed ships refuge, but this recognition is by no means universal and complete. Fortunately and as noted earlier, the number of cases of oil pollution from tankers has reduced very substantially indeed, as a result of the phasing out of single-hulled ships in favour of the new double-hulled models.

against a background of rough seas. The biggest claims, however, were exacerbated by fear on the part of the authorities of pollution of one sort or another, leading to the sort of government interference referred to earlier.

There was no shortage of other incidents dealt with by the Club where blame was unfairly attached to a ship's officers and crew. In 2009 as the bulk carrier *Full City* waited at anchor one

evening off her loading port in Norway, the weather deteriorated sharply. Her master was woken around midnight to be told that the anchor was dragging. Although he ordered the main engine to be started and the anchor to be raised, the prevailing severe gale blew the ship within 25 minutes of the master being called. The breaching of the ship's bunker tanks caused relatively significant pollution. The local prosecutor brought criminal charges against the

## MSC Napoli

On 18 January 2007 the UK-registered 275-metre long containership *MSC Napoli*, entered in the Club, was hit by stormy weather in the English Channel. She suffered very serious structural damage, with water flowing in through a hole on her starboard side. The crew abandoned ship and were subsequently picked up by helicopter and landed at Falmouth in Cornwall. The ship began to list and on 20 January was towed by French tugs and beached at Lyme Bay in Dorset to prevent further damage. The salvage operation was lengthy and complex. It took five months to recover all the containers from the ship, an operation required by government for fear of pollution from their contents. Two months later it was concluded that the ship could not be salvaged intact. Instead, she was broken up, using explosives and cutting equipment, the bow towed away for dismantling and other sections taken apart in situ. Salvage and wreck removal operations were finally completed at the end of July 2009. With overall costs of \$194 million, the *Napoli* was, at the time, the second most expensive claim ever to be paid by the International Group's pool and marked a transition from oil pollution to wreck and cargo removals as presenting the most challenging cases. The reports placed before the Club's Committee noted that 'The enormity of the task facing the small army of contractors at Portland, along miles of beaches and at sea, and their extensive fleet of cranes, reach-stackers, fork-lifts, low-loaders, skip lorries, water tankers, wash bays, huge geared scrap trucks and compressors, ro-ro craft and more, and in addition the highly skilled and ever resourceful response managers and technical experts, is reflected in the total cost of the container and cargo recovery and disposal operation, being some US\$60m.' The survival of the ship, initially intact, enabled the UK Marine Accident Investigation Branch to determine that her hull failure stemmed from a flaw in her design. Although salvage and wreck removal proved lengthy operations, they were efficiently conducted and prevented wider environmental damage. The case raised the profile of the Club, highlighting the quality of support that could be delivered even in the face of an unprecedented challenge. This case was, incidentally, to illustrate the more enlightened attitude by the British government to the granting of refuge, as well as representing welcome relief from other cases of unjust treatment of crew.

master and the officer of the watch. The seafarers were charged under legislation which gave the Norwegian courts the ability to impose a custodial sentence against findings of simple negligence. The Committee agreed to support the defence of the ship's officers. After two full trials, the appeal court eventually acquitted the officer of the watch on all charges but handed down a six-month prison sentence to the master, suspended for two years.

Capricious courts had long been a cause of concern for clubs and the London Club's experience was no different. In 2003 the Norwegian vessel *White Star* collided with four loading arms at a port in Russia. Rosneft, the port operators, secured the arrest of the ship through a local court. The Club's local correspondent successfully complied with every requirement of the court to secure her release only for the claimants to demand new ones on





each occasion. Ultimately the Club's managers reached a settlement allowing the ship to leave port after a month of costly delays. As they reported to the Committee, 'knowledge that shipowners face this type of treatment must inevitably mean that trade to such countries is regarded as less desirable'. Members often suffered adverse judgements despite the evidence.

In 2005 a Member was fined \$3 million in a Syrian court which found for the cargo interests in spite of scientific evidence that the deteriorated condition of the soya beans at discharge could not be attributed to a fault onboard ship. In 2010, following a collision between a bulk carrier and a large fishing boat, a Panamanian court found in favour of the bulk carrier, judging the navigation of the fishing

vessel to be at fault. A higher court, however, decided that more blame should be attached to the bulk carrier simply on the grounds that her officers were better qualified. The International Group (which had come under review once more from the European Commission in 2009, a process which lasted until 2012 and required no changes) established a sub-committee for the purposes of addressing these sorts of claims

issues, an initiative which the Committee strongly supported.

Piracy had become a major menace, particularly off Somalia and Nigeria. In 2009 five ships belonging to Members were seized in the Gulf of Aden and the Indian Ocean. One of them, the *Ariana*, sailing between South America and Iran, was captured by Somali pirates in May and

Entered Ships: The 85,421 gt tanker, *Antarctic*, is entered in the Club by Tsakos Energy Management Ltd.

Entered Ships: The 31,247 gt bulk carrier, *Windsor Adventure*, is entered in the Club by Fairmont Management Ltd.





released seven months later on payment of a ransom. Off Nigeria another Member's vessel repelled an attack thanks to the Greek captain and his senior officers who bombarded the attackers with scrap engine parts. In December 2010 the *Renuar* was held off Somalia until a ransom payment was made in April 2011 and the ship released with the crew unharmed. One of the main reasons for the Club's resilience

and continued expansion during difficult times for shipping after the 2008 financial crisis was its strong reputation for its treatment of members. This was validated by the results of independent surveys carried out with a number of members, brokers and prospective members in 2009 and again in 2013. This quality was stressed by Ian Gooch, Bilbrough's Chief Executive, in the Club's 2015 Annual Report. 'As

part of the Association's focus on delivering top quality, specialised support and service, we seek to develop and to maintain strong working relationships with our Members. Effective and comfortable lines of communication are particularly important to Members, and are something we strive to achieve – and to strengthen – through our attention to day-to-day claims or other inquiries, and our dissemination of information via our regular *StopLoss* and *Club News* publications, and our *Alerts* system.'

Another feature of the Club's approach is its principal emphasis on P&I business. It is not alone in this; but an increasing number of other clubs have diversified or are planning to diversify into a variety of other business

areas. For the London Club, a vital consideration in assessing the case for such diversification involves the potential impact on mutuality – in the context not only of the risk to Members from a financial perspective, but also the danger of a drop in service standards, resulting from distracting moves into unfamiliar insurance product lines. To mitigate such concerns, while enabling the Club to increase its offering in response to requests from some

Members and brokers, the Committee's strategy has been to support the very controlled broadening of the Club's business in areas with which Members have affinity and familiarity, and which are compatible with management's expertise. Results of this approach have been seen in the development of the Club's charterers' liability business, referred to earlier, and in the more recent launch of a P&I cover for the owners of ships up to 7,500gt.

Entered Ships: The 51,158 gt bulk carrier, *Yue Dian 101*, is entered in the Club by Guangdong Yuedean Shipping Co. Ltd.





The London Club Committee in January 2015 (left to right) D Ofer, S Zoullas, N Veniamis, J Harbor, N Savvas, M Lemos, A Lion, S Fafalios, B Todsen, R Ho, P Cowling, G Serena, J Marshall, V Papageorgiou, V Laliotis, Captain R Subramaniam. Seated - J Lyras.



For Members, mutuality and the London Club are attractive because of the objective in offering cover at cost, and the confidence that they can have in the advice, guidance and support that they will receive. As one major broker has commented, the Club is a ‘sleep-easy’ partner for his clients. Much of the Club’s growth is organic, with additional entries coming from Members who prefer their experience with the Club over that encountered elsewhere. The Club’s qualities, believes Stamos Fafalios, a Committee member, whose family shipping company has been a Member of the Club since 1949, are often overlooked by potential new Members, who may concentrate more on price or rating – until their ships incur a problem when the value of the London’s constructive and supportive approach would be fully appreciated.

All this is underpinned by an active and committed Committee made up of owners or their senior executives. Mutuality drives the Committee’s belief that a liability should be covered if it can be brought within the Rules.

The concept of mutuality has been under strain following the financial crisis. Commercial considerations have diminished the regard of some shipowners for the idea that every owner should share costs and risks equitably. Diversification has created tension between clubs. Regulatory demands are on the increase and in some quarters there is pressure for consolidation in the industry. Yet it is perhaps too easy to forget that none of this is new and that the business is cyclical. The London Club, although among the smaller clubs, is continuing

to grow and to play a very active part in the world of P&I after a century and a half, with a solid reputation for its commitment to mutuality – a system for the provision of insurance that has lasted long beyond the lifetime of most enterprises.

Founded in an era when the British mercantile marine was synonymous with world shipping, the history and growth of London Club reflects the post-war internationalisation of the industry. The roots of this international complexion can be traced to the handful of overseas ships appearing in early editions of the Club’s Rules, the appearance of the first Greek and Scandinavian vessels in the 1930s and the first ships from owners in the Far East in the 1950s.

The Club was one of the pioneers of mutual marine insurance. It came into being to protect and indemnify Members against claims for damage to the property of third parties, for personal injury and sickness, and for loss or damage to cargo, and this fundamental objective remains as relevant today as it was 150 years ago. The Club was one of the founding members of what became the International Group of P&I Clubs, formed in 1899 to share resources and cover the liabilities arising from major claims so all shipowners could continue to benefit to the greatest degree possible from the advantages of mutual marine insurance. That collaboration remains just as vital today when the scale of the largest claims would astonish shipowners of a century ago. They would be equally amazed at the extent of state







Entered Ships: The 30,962 gt bulk carrier, Coral Gem, is entered in the Club by Gleamray Maritime Inc.

intervention in shipping regulation and the impact this has had on increasing liabilities for their successors.

Managed by Bilbrough for 125 years, the Club's response to these challenges has essentially been based

on making sure Members receive all the guidance and support they need, from a secure

financial base. Its ethos is perhaps best summed up by observations from the current chairman, John Lyras. As highlighted earlier, Lyras has consistently emphasised the importance of the shipowner perspective and involvement with the direction and culture of mutual P&I Clubs. As he notes in the 2016 Annual Report, strong shipowner engagement of this sort, through the Committee, has been and remains a central feature of the London Club; and is fundamental to its main aims to uphold mutuality and to support the interests of its Members.

### Committee Chairmen

Term	Name	Firm	Location
1876-1889	G L Munro	G L Munro & Co	London
1889-1896	Not available		
1897-1912	Wm Young	Steel , Young & Co	London
1912-1921	James Little	James Little & Co/Little & Johnson	London
1921-1924	Howard Houlder	Houlder, Middleton & Co	London
1924-1932	John Cory	John Cory & Sons	Cardiff
1932-1946	George F Harre	J Langdon Rees	London
1946-1962	J W Ratledge	Coast Lines	London
1962-1969	J C Hawkes	The Bank Line	
1969-1973	W F Robertson	Wm Robertson Shipowners	Glasgow
1973-1985	G Warnderink Vinke	Vinke & Co., Amsterdam	Amsterdam
1985-1992	Holger Castenskiold	United Baltic Corporation	London
1992-1996	Russell Peters	Fyffes Group	London
1996-	John Lyras	Lyras Maritime	London





Year	UK & The World	The London Club	Owned Tonnage (GT m tons)
1866	The London Steam Ship Owners' Mutual Protecting Association is founded		0.6
1869	Suez Canal opened		
1876	Telephone invented		
1878	Electric filament light invented		
1882	Death of Charles Darwin		
1886	Karl Benz patents the first successful petrol-driven car	Death of Sir George Hodgkinson, founder and first manager of the Club	
1889	Cine camera invented	Indemnity Class added	
1890	Underground service reaches the City	A Bilbrough & Co take over management of the Club for the owners	
1891		The Club insures refrigerated cargoes for the first time	
1894		The Club accepts oil tankers for the first time	
1897	Queen Victoria's Diamond Jubilee	The Club accepts reinsurance from the Skuld Club	
1899	Boer War	The Club is a founding member of the London Group of Clubs	
1901	Death of Queen Victoria		
1903	Flight of the Wright Brothers		
1906	San Francisco earthquake		
1908	First major commercial oil strike in the Middle East		
1909	Bleriot flies across the Channel		
1912	Sinking of the Titanic		
1914	First World War begins	The Club forms a War Risks Association	
1916	Battle of the Somme	Entered ships involved in the major explosions at Archangel and Halifax, Nova Scotia	
1917	Russian Revolution	The Club accepts reinsurance from the American Club	
1918	First World War ends		4.1
1920			
1922	Irish Free State founded		
1927	Lindbergh flies the Atlantic		
1928	Penicillin discovered		
1929	Wall Street Crash	First Greek vessel entered with the Club	
1930		London office moves from Rood Lane to Walsingham House, Seething Lane	
1933	Hitler takes power in Germany		

Year	UK & The World	The London Club	Owned Tonnage (GT m tons)
1939	Second World War begins		
1941	USA enters war after Pearl Harbour		
1944	D Day landings		
1945	Second World War ends		
1949	Mao Tse Tung takes over in China		
1950			5
1952		Struggle to save the entered vessel <i>Flying Enterprise</i> gains worldwide attention	
1952		Defence Class formed	
1952			
1953	Queen Elizabeth II ascends the throne		
1956	Suez Crisis & Russian invasion of Hungary		
1957	Russia launches the first satellite		
1960			7.3
1961	Gagarin makes the first space flight		
1963	President Kennedy assassinated		
1965	Vietnam war begins		
1966			10.9
1969	First moon landing	Overseas re-insurance subsidiary formed	
1970			13
1972	Watergate scandal		
1973	Portable cell phone pioneered		
1974		The London office moves to 17, Crosswall	
1975	Microsoft founded		
1976	Apple founded	The Club's Hong Kong office is opened	
1978	Personal computers introduced	Ship condition surveys introduced	
1979	Margaret Thatcher becomes UK prime minister	The <i>Amoco Cadiz</i> oil pollution disaster	
1980			36.3
1981		The Club's Greek office is opened	
1982	Falklands War	Relationship with the Skuld Club ends	
1987		The London office moves to 52, Leadenhall Street	
1989	Berlin Wall comes down	Committee introduces administrative reforms in wake of financial difficulties	
1990	Nelson Mandela is freed		19.7
1991	World Wide Web appears		





Year	UK & The World	The London Club	Owned Tonnage (GT m tons)
1993			
1994	Channel Tunnel opened		
1995		The Club moves to 50, Leaman Street, London	
1997	UK hands over Hong Kong to the Peoples' Republic of China		
1998	First commercial e-mail programme		
2000	Dot.Com boom		27.2
2001	Terrorist attack on World Trade Center in New York		
2003	Invasion of Iraq		
2004	Asian tsunami disaster		
2008	Barrack Obama elected US President. World recession begins		
2010			40.3
2011	Fukushima earthquake and tsunami		
2012		The Club's HK office moves to larger premises	
2013		The Club's Greek office moves to new premises	
2016		The London Club celebrates 150 years	44.2

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