



The London P&I Club

CLUB News

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2018 P&I Renewal: Overview

The London P&I Club has recently concluded the 2018 renewal. We summarise some key developments below and provide an outline of recent news from the Club featured in this edition.

Following the completion of the 2018 renewal, there was a 2.5m gt or 5.8% year-on-year increase in the London P&I Club's mutual business to 45.4m gt.

Ian Gooch, chief executive of the Management team, says: "The market conditions around the renewal remained challenging and fed in to some difficult negotiations. But, overall, the outcome is encouraging. We saw a high level of support for the Club, and at 20 February were delighted to welcome additional entries from eight existing Members along with commitments of further ships from seven other Member fleets. At the same time, we were very pleased to receive entries from 11 new Members based in countries including Bulgaria, China, Germany, Italy, Montenegro and Singapore."

Ian adds: "Controlled growth of this kind, from markets where the Club is well established and from those where we've been working hard to increase our profile and further spread our Member base, is an important part of our strategy to maintain the Club's delivery of the highest standards of service and support for all our Members from secure financial foundations."



The 2016 built, 34,323 gt bulk carrier, *Aquapiscus*, is entered in the London P&I Club by Carras (Hellas) SA.

"So the Membership developments at the renewal, and throughout the last 12 months, are encouraging and represent positives as the Club heads into the new P&I year. We take this opportunity to thank our Members and business partners for their support."

Detailed information on Membership, underwriting, the Club's performance and results for 2017/18, and a range of other developments will be set out in the Annual Report to be published later

in the year as usual.

In the meantime, this edition of *Club News* reports on the 17th Piraeus Marine Club Annual P&I Conference, where Steve Roberts participated in a debate on 'magic pipe' pollution cases and Club cover. Also, Reto Toggwiler looks at the important work and developments in our underwriting support team. There is also our regular section on *Management News*, while *First Person* features Ian Carter.

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Club debates cover for 'magic pipe' cases at conference



The conference panel and guests

Representatives from 10 P&I Clubs and the Greek shipping community gathered for one of the shipping year's most popular events to debate topical industry issues.

The 17th Piraeus Marine Club Annual P&I Conference held in January once again provided an excellent opportunity for a lively exchange of views from the panel speakers and the mainly shipowning audience.

The London P&I Club was represented by claims director, Steve Roberts (pictured), who spoke on perhaps the most controversial subject for debate this year – P&I cover for fines imposed for the alleged deliberate discharge of oily water. An important distinction was made between accidental oil pollution, which falls within normal Club cover, and alleged deliberate operational spills, known as Oily Water Separator Bypass or 'magic pipe' cases. As these latter cases raise criminal law issues, even if some are without the knowledge of the Owners, providing insurance for liabilities arising is problematic.

Although magic pipe cases occur in other jurisdictions, the debate referred to the USA where the levels of exposure and cost and the intensity of prosecution



Steve Roberts speaking at the conference

of the crew and Owners are the most significant. The ship operators in such cases face a very high burden of proof to show that they have an active and effective policy in place to prohibit these illegal discharges. Failing to do so puts them at risk of being held vicariously liable for the actions of their crew. It is the difficulty in discharging this burden, coupled with the financial and management drain in fighting the charges, which leads operators to plead

guilty irrespective of the circumstances of the incident.

Through presentations, expert panel intervention and audience debate, a consensus emerged that it was not viable for fines to be brought within direct P&I cover due to the criminality involved. It was nevertheless felt that P&I Clubs could be more involved in the critical investigation phase before any criminal prosecution and assist Members through greater use of their experience of the US legal process.



Reto Toggwiler and Keith Attwood



Connor Hammond



Maria Milonas



Ben McKeith and Catherine Nice



Rodney Cook and Leah Downing

Underwriting team update

The recent P&I renewal, as reported on page 1, was the usual busy time for the Club's underwriting team. Underwriting director, Reto Toggwiler, comments: "Going into the renewal season, the initial focus of our work with Members and brokers usually includes risk exposure, loss ratios, and analysis of any claims or other patterns that may be colouring the Member's record. There is also a review of their deductibles and any other relevant terms of the cover."

"Once that exercise and the ensuing negotiations have been agreed and completed, we move on to the next stage of the process, involving the production and issuance of certification of entry with the Club and dealing with other documentary requirements."

"We also deal with other lines of cover outside of our mutual business, including the Club's well-established charterers' insurance. In 2018, the Club also rolled out its bespoke set of Charterer's CSL Terms & Conditions which required various updates to our charterers' documentation."

Reto adds: "At the London P&I Club, we strive to provide all our Members with prompt and accurate service and support. From an underwriting perspective, we know very well that this includes not only handling their renewals but also providing the range of certificates that they may now require, such as those needed under the MLC being the most recent example."

"To that end, we've been taking steps to increase our resources in London and elsewhere. On the documentary side, for example, Keith Attwood and Maria Milonas have been joined in the last few years by Leah Downing, Catherine Nice, Connor Hammond and, more recently, Mei Lau in our Hong Kong office."

"While we're always looking to improve, I've been delighted with the feedback that I've received about our underwriting support. As the team expands, it's been extremely encouraging to see how effectively the new arrangements are working across our different offices. This is an important element in our business and one where we're committed to building on this good work."

CLUB People



FIRST Person

Ian Carter

Senior claims manager, London

A childhood fascination with ships and where in the world they were headed, along with his mother knitting a blanket sent to a stranded crew member are still vivid memories for Ian.

Today, Ian is highly experienced claims handler, having joined the Club almost 40 years ago. "It's like a family," he describes working with the Club and its people. Having gained particular experience in US injury and death claims, and acted as secretary to the Club's Claims Review Body, Ian now deals mainly with North American and Greek Members on a range of claims types.

Thinking about what first got him interested in ships, Ian goes back to his childhood: "I started sailing dinghies as a small child, and it was while sailing a Mirror dinghy around laid up ships in Falmouth harbour in the UK that as an eight-year-old year I had a romantic notion as to the history of those ships and when they left, where they were sailing to.

"This, of course, was many years before the MLC was conceived, and I also recall one winter my mother knitting a blanket which the local Chaplin passed on to one of the crew members stranded on board one of the ships laid up in Carrick Roads."

Years later, Ian ended up working in the shipping industry, and he remembers an important moment in those early years: "My big break came when I was unexpectedly handed the challenging case load of

a former colleague who had been specialising in US personal injury work. The Club allowed me to develop that side, so I became a bit of a specialist in that field.

"I've also handled complex casualty work and have seen to its resolution (more or less) the asbestos mass tort litigation in the US against Shipowners. As ever with P&I though, there are always new challenges ahead and it's that which truly makes this industry so interesting."

Ian believes that his job is more about being a good listener than speaking: "But it probably took me 20 years to learn that!" he adds. Listening to the Club's Members and what shipping means to them is one of the highlights of his work. "It's their passion – it's not just a job to them. And that's infectious," he says.

Ian visits Members in Greece and New York once or twice a year, and in recent years has also attended several mediations and settlement meetings. He has also been a speaker at in-house seminars for Members and crew conferences.

Outside of work, Ian continues to enjoy sailing, and working on his house and garden in between acting as a "taxi driver" for his teenage children.

MANAGEMENT News

We are pleased to have welcomed several new members of staff who joined the Club recently. In London, Mike Furlepa was appointed head of risk & compliance, and Dylan Peart works as an apprentice IT infrastructure technician. In Hong Kong, Mei Lau has joined as a new underwriting assistant.

As usual, the Club has been involved in several industry events, including the Greek office hosting a seminar on laytime and demurrage. A full auditorium heard Cristan Evans of law firm Stephenson Harwood examine a case study at January's event.

Carl Durow, loss prevention manager, spoke at November's IIMS UAE Branch Conference 2017 "Marine Insurance and Surviving the New Reality" on the topic of marine surveyor appointments for the P&I Industry (see inset).



Congratulations to Ben McKeith and his wife, Tiffany, whose son, Maxi, was born in February; and to Mira Milouseva and her husband, Michalis, who became the proud parents of baby daughter, Markella, in the same month.

Also, congratulations to Ioanna Exadaktylou and her husband Mark whose baby boy Nicholas was born in March.

It is with great sadness that we report the passing in January of Ernie Chaplin who worked in the Management team for more than 42 years, and was a specialist in personal injury claims. We send our sincere condolences to his family and friends.



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