

WISTA - Press (18.11.2010)

Dorothea Ioannou of the American Club says that P&I insurers help save owners millions

Substantial savings available to the shipping industry, stemming from loss prevention initiatives by P&I clubs, were described during the WISTA Conference in Athens by Dorothea Ioannou, general manager of Shipowners Claims Bureau (Hellas) Inc, which serves American P&I Club members in Greece, Turkey, Italy, Cyprus and the Mediterranean region.

Ms Ioannou, a member of WISTA Hellas, told the audience of 400 people that teamwork was essential in promoting safety. She was taking part in the panel discussion that examined the teamwork and interaction at all levels of shipping.

Ship owners themselves created P&I clubs some 150 years ago, ushering in a unique mutual style of insurance, and today co-operation was at a high level between club management and members in loss prevention measures. For instance, all mutual insurers in the International Group of P&I Clubs require entered vessels over a certain age to undergo a condition survey applying to the structural integrity/seaworthiness and cargo worthiness of the vessel, and to the ability of the crew to operate the ship in a proper manner. She said that the American Club's condition survey programme applies to vessels over 10 years old entering the club, and other entered vessels are periodically surveyed, for instance post-casualty, or as a result of claims that revealed a need to investigate problems.

As to Pre-Employment Medical Examination (PEME), a programme implemented by many clubs, some of the savings can be quantified. The American Club's facility has reduced medical illness claims in the order of \$2m annually, said Ms Ioannou, while owners and managers felt more secure in knowing their seafarers were fit for duty. The Club's PEME initiative was launched in 2004 in Ukraine and the Philippines, and has been extended through the years to include seven other nations.

Club managers through their database are able to pinpoint potential connections relating to different types of accidents. For example, they had concluded that in more than 50% of all contact damage claims (grounding, collision, striking a fixed floating object) a pilot was on board the ship. As a result, the club issued a DVD, *Stranger on the Bridge*, focusing on the responsibilities of the bridge team and the limitations of over-reliance on marine pilotage in preventing accidents. The DVD has subtitles in Mandarin and Russian.

Ms Ioannou said: "Because of the requirements of cover, P&I clubs in effect assist indirectly with enforcement of safety standards, which in a sense is really self-management of risk concerns based on the inherent nature of common interest between insurer and insured through the system of mutuality."