Loss Prevention Initiatives
Loss Prevention at the UK Club

What?

Why?

How?
Loss Prevention - What?

The ability to **PINPOINT** and **REDUCE AVOIDABLE EXPENSE**
Loss Prevention – Why? (Club)

- Reduces Club outgoings
- Reduces Club incomings
- Attracts more/quality customers
- Healthier Club
Loss Prevention - Why? (Shipowners)

- Reduce insurance cost
- Reduce hidden costs
  - Loss of image, Management time
- Protects your customer base
  - Just in time business can’t cope with delays/claims
- Maintains a healthy company
Loss Prevention – How?

By Focusing on a number of areas:-

• Quality Control
• Analysis
• Experience
• Raising Awareness
Quality Control

- **Before Entry**
  - Business Filter
    - Market knowledge
    - Company Searches
    - Claims record
  - Hardware filter
    - 10+ yrs
    - Full Condition Survey
      - Not acceptable
      - Acceptable
      - Acceptable But
        » Conditions

- **After Entry**
  - Spot checks
    - 500+ ships a year
    - Clubs own employees
  - PSC monitoring
  - Claims monitoring
  - Annual Review of suspect members
Analysis

Benchmarking
- Condition Surveys
  - Hardware Software Failures
- Ship Visits
  - 6 Operational Areas
- Port State Control
  - Flavour of the Month
- Major Claims
  - US$100,000 + Human Error/Ship Failure
- All Claims
  - Ground Upwards

Trends

Analysis

• **Major Claims Analysis**
  • Frequency, Consequence, Cause
    • By Risk Type
    • By Ship Type
    • By Location
    • By Trends

• **All Claim Analysis**
  • Taken from claims data accumulated over many years to give accurate trends.
Experience

**Claims Handlers**
- 12000 claims per year
- Ex lawyers, seafarers, surveyors, Average adjusters etc
- In 11 locations worldwide (on the spot)
- Multinational, Multilingual

**Ship Inspectors**
- On ships now, today

**Correspondents**
- 400+ around the world

**Lawyers**
- Important for new regulation, case law.
- Local anomalies
Experience - Surveyor Database

The UK P&I club currently operates a database of approved surveyors throughout the world. The database is updated regularly and contains the details and CV’s of over 5,500 surveyors and consultants.
Raising Awareness

We are insurers not shipowners

We have a wealth of knowledge of what goes wrong

- Where
- When
- How

Best way to help our clients is to make this knowledge available in a digestible and effective manner

Use our data to RAISE AWARENESS
NOT TO PREACH
Raising Awareness

How is the UK P&I Club Raising Awareness?
Raising Awareness through Loss Prevention Initiatives

- Loss Prevention Materials
- Website
- Ship Inspection
- Benchmarking
- Risk Profiling
- Threat and Consequence
- PEME
- Signum
Loss Prevention Material

- Club Videos and DVD’s
- Club Publications
- Third Party Publications
Loss Prevention Material - Club Videos/DVD’s

- No Room for Error
- Cargo Matters
- Bulk Matters
- Gas Matters
- Tanker Matters
- Container Matters
- Taking Care
- Taking Care – Cruise & Ferry
- Taking Care – Offshore
- Counting the Cost
- Any Fool
- The Mariners Role
- Ship Visits
No Room for Error

Claims for incidents written off as ‘human error’ cost the shipping industry $1 million a day. The real costs are higher still – wasted time, lost business, lost jobs, ruined reputations, injury and death.

Many incidents attributed to human error are in fact accidents waiting to happen.

Dramatic scenarios of Ship Collision, Cargo Loss, Personal Injury, Pollution and Property Damage.

How to look beyond the ‘active failures’ – the immediate causes of incidents – to identify the ‘latent failures’ – the root causes, often overlooked. It helps mariners and shore staff avoid incidents by predicting when and where they will occur.
Any Fool Can Stuff a Container

If you think…

any fool can stuff a container

THINK AGAIN

Over 12 million containers are in use worldwide. Many cargo damage claims turn out to be caused, or made worse, by bad packing.

Aimed to help shippers and receivers of containerised cargo.
Loss Prevention Material – Club Publications

- Carefully to Carry Volume/Articles
- Loss Prevention News
- Good/Bad Practice Posters
- Loss Prevention Bulletins
- Technical Bulletins
- Analysis of Major Claims
- Tanker Risk Profile
- Port State Control Pocket Checklists
- The Human Factor – report on Manning
- Getting to Grips with the Human Factor
- Port State Control – Guide to Members
- Supplement reports to LP News
- Book it right, pack it tight – DG Guides
- America Focus Publications
Established in 1961, the C2C committee have produced many articles on cargoes that have caused many claims, and other cargo related issues such as hold washing, cargo securing, and ventilation.

The Carefully to Carry Volume

• 41 Years of articles brought up to date
• One easy to use publication
  • Available for Insurance Managers
  • Available for ship board use
• Trade Focused
  • Bulk Cargoes - Solid
  • Bulk Cargoes - Liquid
  • Containers
  • Refrigerated Cargoes
  • Miscellaneous
Carefully to Carry

Carefully to Carry Articles

• Regular articles on current cargo issues
• Easily available through the clubs website
• Produced by leading experts from within the industry
Loss Prevention Bulletins

The UK clubs Loss Prevention bulletins have become a vital source of information for members and those closely involved with the club.

One bulletin is produced each week by the Loss Prevention team and covers the latest topics affecting the marine industry. Topics vary from week to week and incorporate a broad range of areas including shipboard practices, port operations, navigational hazards, personal injury, cargo problems, incident reports etc.

Each bulletin is stored on the clubs website and can be viewed online or downloaded, currently the club has over 600 bulletins available online and the number is growing every week.
Loss Prevention News

From time to time the LP team produce in-depth articles which aim to give advice on current issues.

The latest articles produced include,

- Load line rules in South Africa
- Understanding mooring incidents
- Guidelines covering the lay-up of ships
- Bridge Technology - Limitations and evidence preservation
Port State Control Pocket Checklists

Produced by experts from Lloyd's Register and the UK Club, the guides advise officers on board, and owners, about Port State Control, highlighting deficiencies found during PSC inspections. They provide a detailed checklist of areas that must be up to standard and highlights areas where operational deficiencies are frequently found.
The Club, with the support of several Members, has launched *Book it right and pack it tight -* a set of four guidebooks on the workings of the International Maritime Dangerous Goods (IMDG) Code
A number of articles produced by the club’s American regional offices aimed at combating common problems encountered within the United States.

The current America Focus initiative is a ten part reefer claim guide, each part covers a different aspect of the reefers journey from the booking to discharge and eventually through to the claims handling.

Other article titles include, “Hijacking claim prevention”, “Overweight containers in the USA” and “Preventing cargo abandonment”.
Loss Prevention Materials – Third Party Publications

• Commercial Management for Ship Masters
• Watchkeeping Safety & Cargo Management in Port
• Marine Commercial Practice
• Management Risk in Shipping
• Implementation of the ISM Code
• Int. Shipboard Work Hour Limits
• STCW95 Company Checklists
• Model Ship Security Plan
• Pirates & Armed Robbers – Masters Guide
• Newslink
Website - http://www.ukpandi.com

- Large number of LP materials available to view and download
- Range of online facilities
- Information regarding current LP Initiatives
- Private members area
- Updated regularly with the latest information from around the world.
Website - Some of the Spotlights

> Breach of Safety Management System - Fine - Worldwide
   It is vital that rules and regulations are properly enforced...

> Load line rules in South Africa
   There have been a number of misinterpretations of the Load Line Rules in South Africa...

> Oil Pollution Response - Argentina
   A reminder of the oil pollution response procedures in Argentina....

> More updates...

---

Videos

---

RSS

---

Site Search

---

United States

---

LP FAQ

---

Useful Ideas

---

LP Bulletins

---

People Claims

---

Benchmarking

---

Tech Bulletins

---

LP Reports

---

PEME

---

Signum

---

LP Links
Ship Inspections

The UK club employs five former Masters and Chief Engineers who carry out ship inspections onboard club entered vessels, around the globe. The findings of each inspection are stored on a database and retained by the club.

Each inspector takes time to assess whether the vessel is suitable to the club and point out anything he feels could be improved.
Benchmarking

From the findings of the ship inspections, the club offers its members a chance to see how they compare on a number of key areas in relation to the club fleet.

- **Cargoworthiness**
  Hatch watertight integrity, Holds, Cranes/derricks, Vents, Pipes

- **Manning**
  Communications, Knowledge, Certification, Working Practice

- **Service and Maintenance**
  Bridge procedures, Management controls, Maintenance, Stores, Admin

- **Safety Standards**
  FFE, LSA, SOLAS, Safety awareness

- **Operational Performance**
  Anything that affects Ships performance (PSC, Cargo work)

- **Pollution Control**
  Pollution avoidance, Control
Benchmarking

• **1 = Excellent**
  Good Systems - Just some small suggestions

• **2 = Good**
  Improvements suggested to enhance overall performance

• **3 = Satisfactory**
  Improvements needed if vessel not to slip below standard

• **4 = Below Standard**
  A lot of work and input is needed to raise the standard

• **5 = Very Poor**
  Full condition Survey Required
Benchmarking

![Benchmarking Graph]

- **Excellent**
- **Good**
- **Satisfactory**
- **Below Standard**
- **Very Poor**

**Ratings**

- **Cargo Worthiness**
- **Manning**
- **Service**
- **Safety**
- **Operational**
- **Pollution**

- **Club average (sample size = 3212 Ships visited)**
- **Member Data for average (sample size = 10 ships visited)**
Benchmarking

- Club average rating is 1.67 (sample size = 542 Members visited)
- Member Data for average rating is 1.33 - this is above Club average. (sample size = 10 ships visited)
Pre-Employment Medical Examination (PEME)

The PEME Programme has proven to be one of the leading loss prevention initiatives within the UK Club.

Programme Objectives:
• Screen out existing medical conditions during pre-employment exam
• Reduce the value and volume of illness and repatriation claims for participating members
• Deliver a proven value added service to Members
• Focused growth of clinic network
• Ensure the needs of all Programme Members are met
PEME Worldwide Unfitness Statistics

- Hepatitis B: 955
- Other: 773
- Hearing Defects: 721
- Hypertension: 666
- PTB: 618
- Abnormal Liver Function: 464
- Diabetes: 374
- Gallbladder Disease: 241
- Kidney Disease: 197
- Sight Defects: 194
Signum Services Ltd is the investigative arm of Thomas Miller and consists of ex-Scotland Yard detectives who investigate a wide range of crimes on behalf of the Club and its Members.
Loss Prevention - Summary

The ability to **PINPOINT** and **REDUCE** AVOIDABLE EXPENSE

Through LP Initiatives