

Q&A

UK P&I Club launches self-assessment scheme for Members

Q1. Who are the UK P&I Club?

The UK P&I Club ('The Club') provides Protection and Indemnity insurance in respect of third party liabilities and expenses arising from owning ships or operating ships. One of the largest and oldest mutual marine protection and indemnity organisations, it insures over 200 million tonnes of owned and chartered ships from more than fifty countries across the globe.

The UK P&I Club gives its Members security with its A (Stable) Standard & Poor's rating and accessibility with a claims service on hand in 350 ports. Its on-the-spot help and local knowledge is unmatched, as is its ongoing response to the changing environment and its Members' changing needs. Its continuing experience, size, coverage and service mean unparalleled specialist skills and expertise available to its Members and to the masters and managers of their ships.

Q2. What is the Club launching?

The Club is launching a revolutionary self-assessment scheme which provides Members with direct, hands-on access to tools the Club's loss-prevention experts use to identify areas of current and emerging risk, in the form of a 'self-assessment kit'. The kit provides a means of conducting detailed investigations of the potential causes of claims on ships, can help Members who are serious about risk control to both educate their crews and to stop threats before they develop. The Club also offers its expertise in reviewing the results of these surveys, to provide Members with guidance and continuing improvement.

Q3. What is the self-assessment kit?

The self-assessment kit is a detailed package of guidance, methodology and checklists which will enable crews to conduct investigations and control the risk of accidents on their vessels – which in turn could help to reduce their insurance premiums. The guidance was drawn from the Club's extensive experience dealing with over 12,000 serious claims.

Q4. Why is the club launching this?

Traditionally, P&I Clubs have operated using their extensive market knowledge and archives to underwrite risks at the most efficient costs possible. The UK P&I Club considers its responsibility to its Members extends beyond this, to providing loss-prevention guidance and delivering the best possible standards of service and claims handling. The self-assessment scheme reflects the Club's commitment to providing Members with the best value: sharing knowledge which puts the Member in the driver's seat and giving them the tools to take an active part in preventing costly claims.

Q5. Isn't giving this away risky / costly?

The Club is providing guidance which reflects the expertise of its 5 loss prevention experts, who operate across the world visiting ships and ports and spotting areas where risks develop. By providing Members with the tools to allow crews to self assess, the Club will be raising the standard of knowledge and risk mitigation across the industry. The Club will still be providing its unmatched expertise in interpreting the results of the self-assessments and providing guidance for next steps to take.

Q6. Has this been attempted before?

The scheme is in keeping with the Club's overall goal of reducing the pain and cost of claims through effective loss-prevention schemes. Since the Club's main aim is to provide the best possible service, loss prevention and claims management solutions to its Members, the introduction of a self-assessment scheme was a logical next step. This is the first time a Club's detailed risk matrix has been made available to Members to identify the factors that are relevant to reducing P&I Claims.

Q7. How does this scheme differ from services already offered?

The Club has extensive systems in place to support its Members and keep the costs and risks of operating a shipping business as low as possible. A 'bow-tie' system is in place where the Club, provides market-leading support both in advance of an incident, in mitigating risks and preventing avoidable claims, through to support in the wake of an incident, ensuring speedy resolution and support in returning to normal operation.

The self-assessment scheme is an extension of the extensive client service that Members already receive, providing unprecedented access to a risk identification scheme that has been developed over the Club's extensive lifetime.

Q8. How does the scheme work?

First, owners are provided with a self-assessment kit which allows crews to rate and review risk preparedness of their ships, as well as areas of exposed risk. The kit identifies 75 threats which have the potential to develop into an incident, and are further broken down into 450 areas of risk and control. Crews rank these controls on a scale of one to five to identify areas that should be addressed.

These scores are then submitted to the Club, who will analyse the results and provide a risk-assessment report to the crew, which includes an overall risk percentage. The Club will then provide detailed, tailored claims prevention guidance and will advise the owner on how to address the assessments findings.

The Club recommends conducting these assessments regularly to review what changes have been implemented, as well as to identify new emerging risks.

Q9. Who can access the scheme?

The pilot scheme is open to Members of the Club. The scheme was designed as an added benefit to all Members, with a particular appeal to those who have taken a serious interest in educating their crews on best practice, professionalism and safety.

Q10. Are there costs associated with taking on the scheme?

No, the scheme is free to adopt, and all material and guidance will be sent free of cost to UK P&I Club Members. The self-assessment scheme is a further reflection of the benefits of mutuality for ship-owners, offering access to the best guidance and expertise available, for minimal cost.

Q11. How is the scheme being rolled out?

The scheme is being launched as a pilot scheme available to all Members from November 2014. Members will be provided with a self-assessment kit, which includes detailed guidance in how to conduct a thorough self-assessment of existing controls for 450 potential areas of risk.

Q12. What are the benefits of using the scheme?

The primary purpose of the scheme is to reduce claims and improve loss records by identifying risk of accidents threats which could lead to expensive claims. It is also benefits owners by educating ship crews on how to identify and mitigate developing risks in the way that a loss-prevention expert would.

Additionally, owners that provide regular and accurate self-assessments may require fewer mandatory surveys, provided there is little difference between self assessment scores and those provided by the Club.

Q13. Will adopting the scheme affect premiums?

The self-assessment scheme was designed to help crews identify and prevent risks before they become claims. Crews which implement the scheme as intended should be able to mitigate serious claims.

Q14. What areas does the self-assessment scheme cover?

The scheme provides tailored self-assessment kits for the following areas: cargo, pollution, personal injury, collision and third party property claims.

Q15. How will the scheme be updated?

The Club will regularly update the scheme with newly identified threats, non-attributable hints and tips and other additional information all of which can help prevent claims and reduce insurance premiums.

For More information:

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