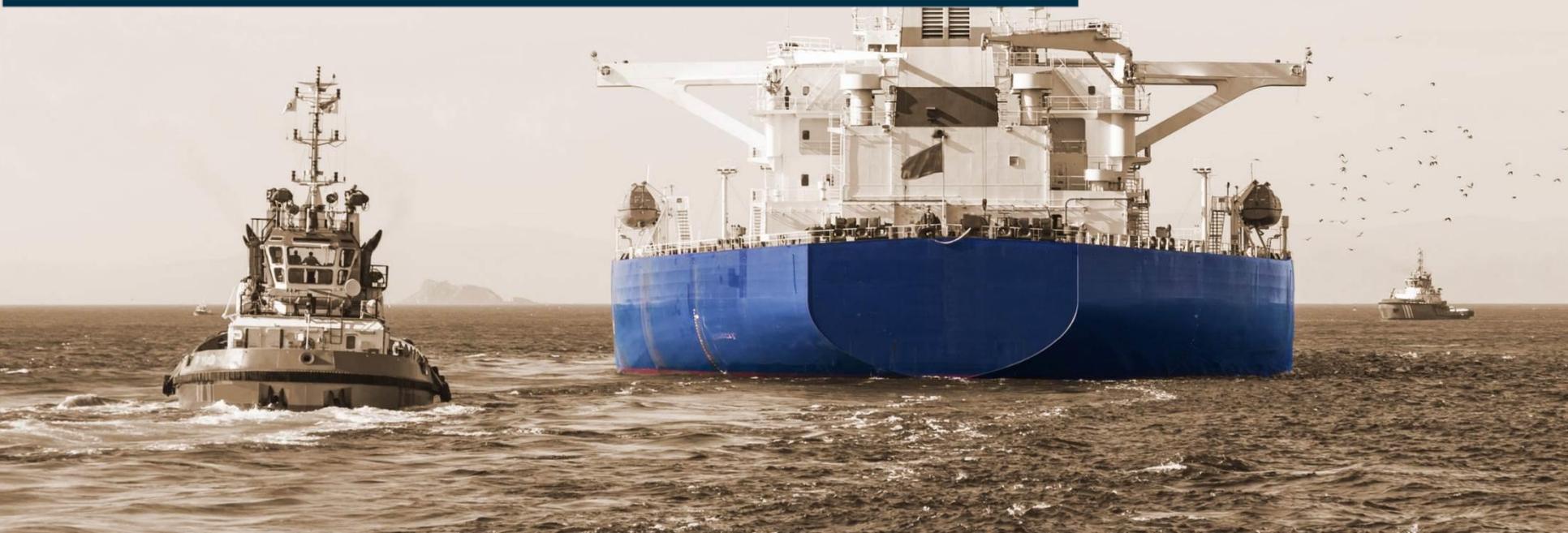




An Underwriter's view on crew claims trends

Marius Schønberg, Loss Prevention Gard (Norway)

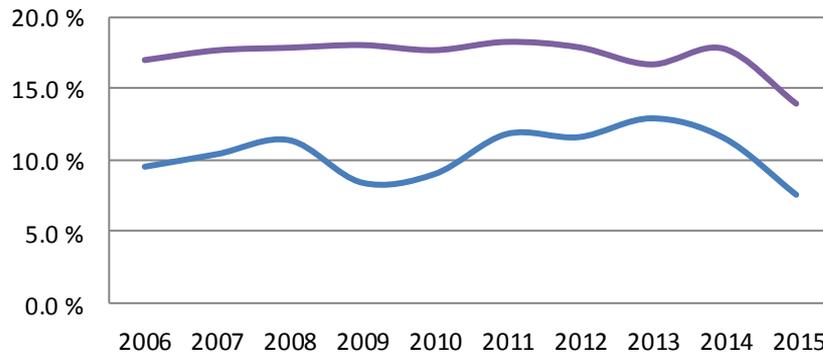


Tough times – better for safety?

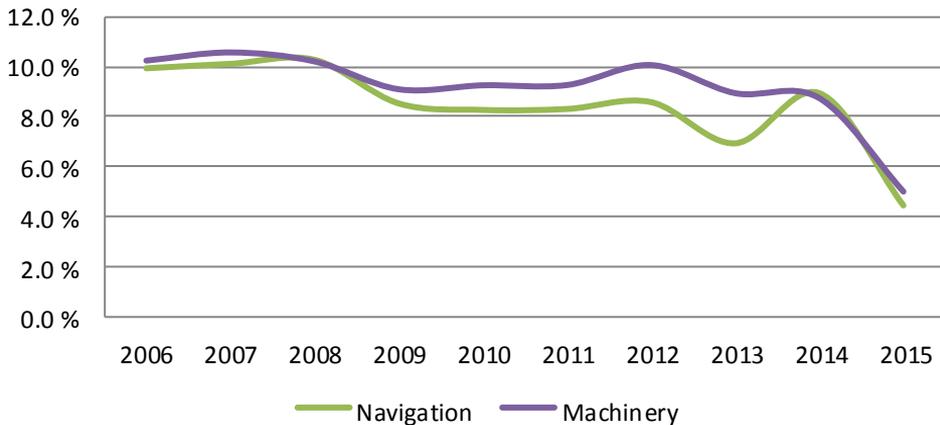
Half speed vrs Full speed



Frequency of Gard P&I claims



Frequency of Gard H&M claims



General trends in casualties reported to Gard

Common factors in investigation reports

- Main driver in casualties: Commercial pressure
 - More time spent on the cargo operation itself (cargo, crew claims)
 - Lower ship speed (navigation, machinery)
 - More thorough planning
- Reduction in maintenance and training
- Individual level; Use of PPE, physical condition, diet
- Ship/ team level; Onboard leadership – or lack of such leadership (poor BRM/CRM)

460

employees covering 20 nationalities

13

offices in our network

12,684

vessels insured, above 1000 gt

For over 100 years, we have focussed on providing the maritime industries with insurance products that offer financial protection and practical assistance when disaster strikes.



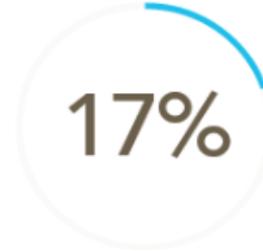
88%

combined ratio net as at 20 February 2015



34%

of Nordic marine hull premium



17%

market share International Group of P&I Clubs

Gard

A Scandinavian heritage with over 100 years of consistent, reliable service

- Team with long experience in the industry as:
 - Superintendents
 - Chief engineers
 - Naval Architects
 - Naval officers
 - Master Mariners
 - Pilots
 - Classification Surveyors
- Owned by the industry for the industry
- An organisation with more than 460 staff who understand your business



One common goal: To help our members and clients in the marine industries to manage risk and its consequences

Preventing accidents

Gard Alerts, LP Circulars and Case studies

Alerts for AWARENESS

Circulars for LEARNING

Casestudies for DISCUSSION

MONDAY, 20 JANUARY 2014
GARD ENVIRONMENT

GARD ALERT

EU - de-bunkered off-spec fuel is not waste

GARD ALERT

Current EU regulations define 'waste' as "any substance or object which the holder discards or intends or is required to discard" and Dutch environmental authorities have on some instances interpreted this statement to mean that if a buyer rejects a parcel of fuel oil, the oil must be considered as 'discarded' and accordingly treated as waste. However, a recent guiding ruling from the Court of Justice of the European Union (CJEU) states that off-spec oil need not necessarily be handled as waste.

Gard updates such as Loss Prevention Circulars, Gard Alerts and Case Studies are issued regularly and contain information considered important to our Members and clients. Recently published updates can be found under the tab "Preventing Losses" on www.gard.no.

SEAR MADE

WEDNESDAY, 18 DECEMBER 2013
LOSS PREVENTION CIRCULAR

LOSS PREVENTION CIRCULAR NO. 5/2013

Structural damage from overfilling ballast and fresh water tanks

LOSS PREVENTION CIRCULAR

Structural damage as a result of excessive pressure in ships' tanks during filling operations is a common cause for claims. Excessive pressure leads to bulging plates and distorted stiffeners in/ near the tank in most cases, but in the more serious cases, the tanks may rupture and leak. The most common cause of the above damage and deformation appear to be overfilling, often in combination with obstructed air pipes. The purpose of this circular is therefore to highlight the importance of proper procedures and routines, both for tank filling operations and for regular inspection and maintenance of tanks' air pipes.

Gard updates such as Loss Prevention Circulars, Gard Alerts and Case Studies are issued regularly

FRIDAY, 20 DECEMBER 2013
CASE STUDY

CASE STUDY NO. 35: SAMPLING

Case study for onboard safety meeting

CASE STUDY

Disputes relating to "off-spec" or contaminated liquid cargoes are a recurring problem and Gard is often involved in cases where the shipowner has no independent evidence as to the cause of an alleged cargo contamination. The source of the problem could be in the shore tank at the load port, in the shore pipeline during loading or on board the vessel itself. The cargo could even have been manufactured out of specification prior to delivery to the terminal for shipment. But if the cargo is found to be "off-spec" when the vessel arrives at the discharge port and there is no evidence of contamination from the load port, the vessel could be faced with a potentially large claim, even if the vessel is not at fault.

By far the most important sample is the "first drop" manifold sample - a sample taken of the very first

Loss Prevention activities and training for officers and crew

- Operational Risk Workshops
- Bridge Team Management (BRM)
- Improving safety meetings through improved on-board risk assessment
- Leadership and safety Culture
- Pilot handling, ECDIS & Electronic navigation
- Casualty seminars; “When the alarm bell rings”
- Cargo claims

Assisting our members and clients in their effort to reduce losses and avoid casualties



Loss Prevention activities towards top management ashore

- Crisis management
- Live contingency exercises
- Table top exercises
- Media training – maritime casualties
- Taking care of relatives
- Close cooperation with members and clients during crisis response

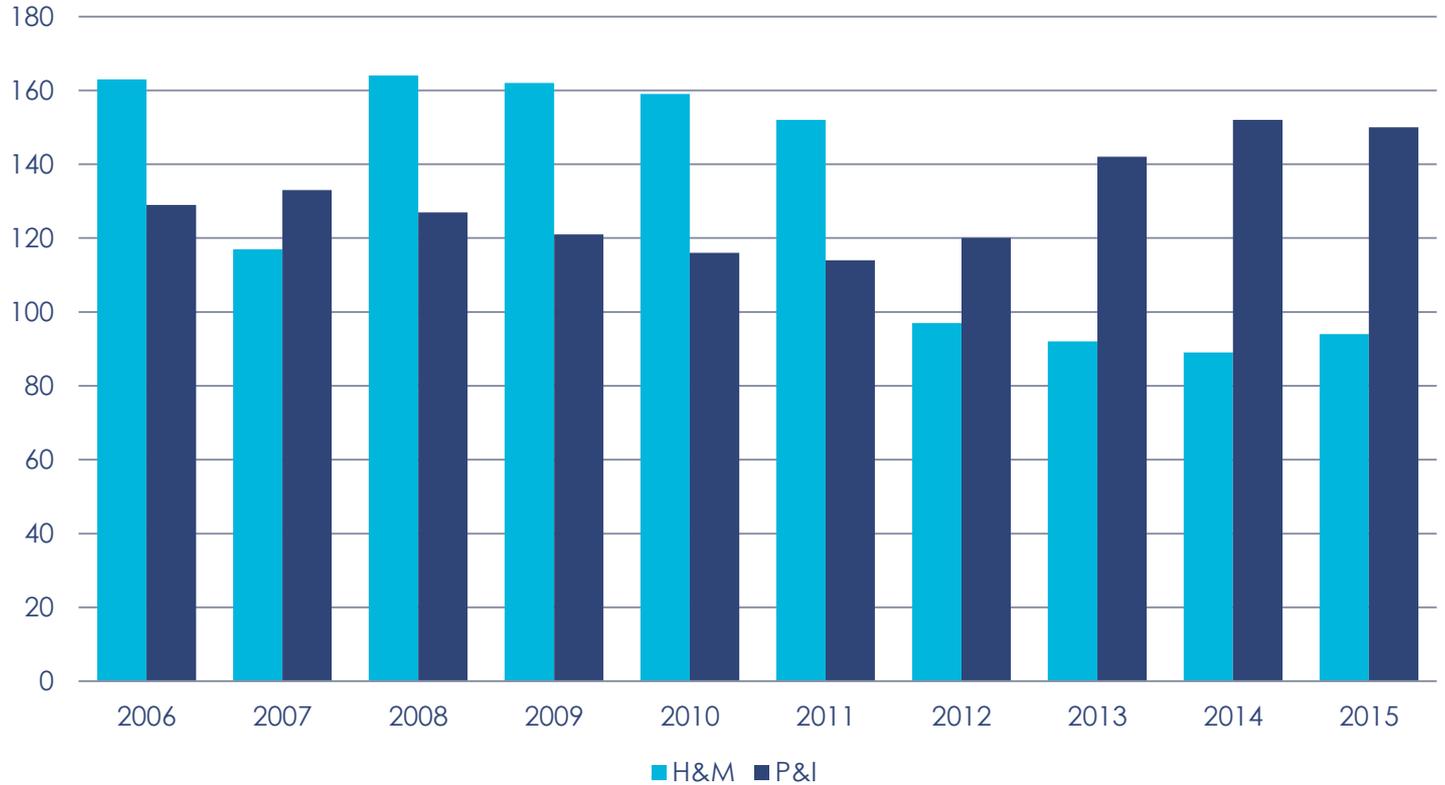


In a crisis situation the ship owner's internal resources will never be sufficient - Gard can play a supporting role

Claims picture among BMPFs members

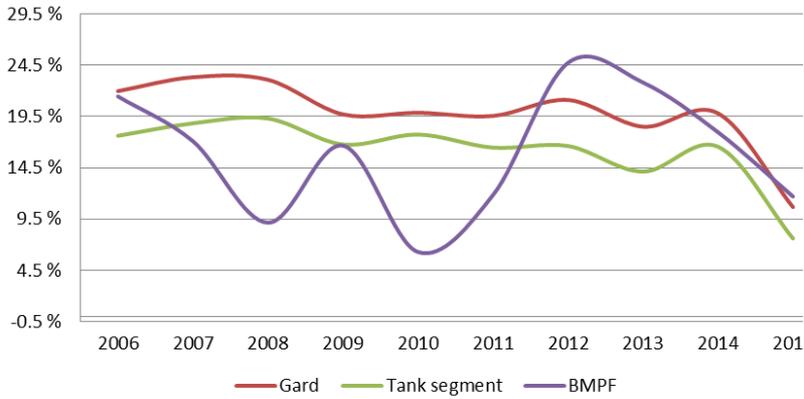
BMPF involvement and Gard

Vessel years

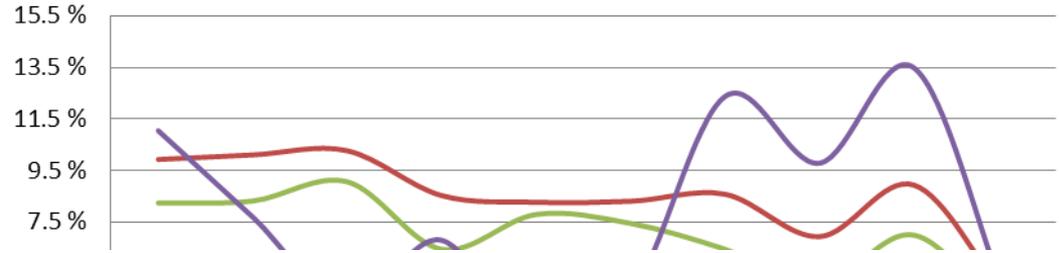


H&M Claims BMPF

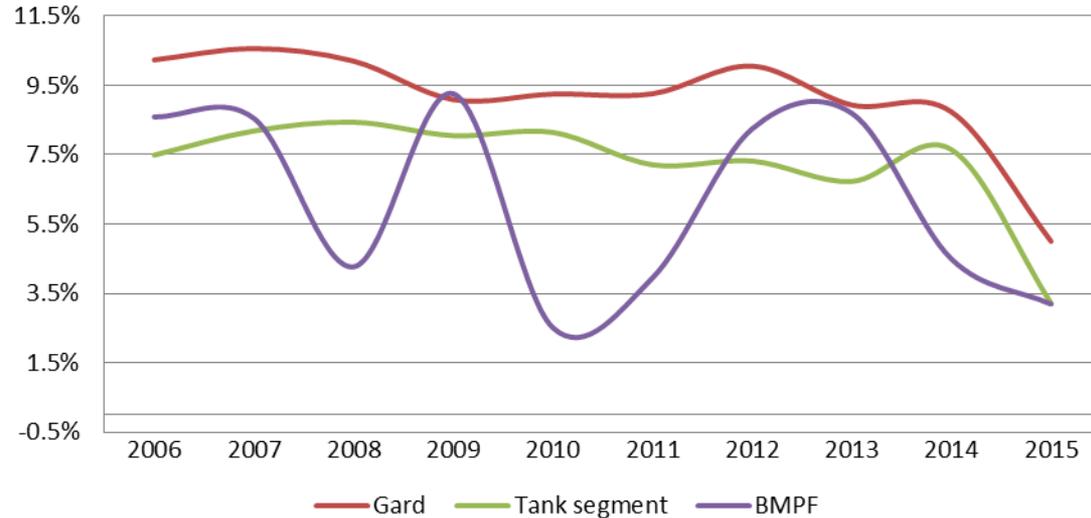
Frequency of All H&M claims



Frequency of Navigation claims

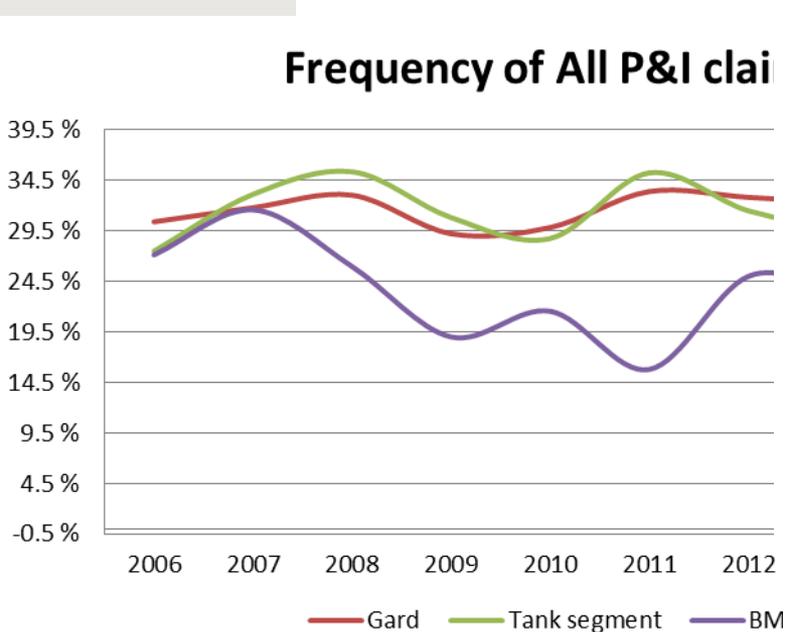


Frequency of Machinery claims



P&I claims BMPF

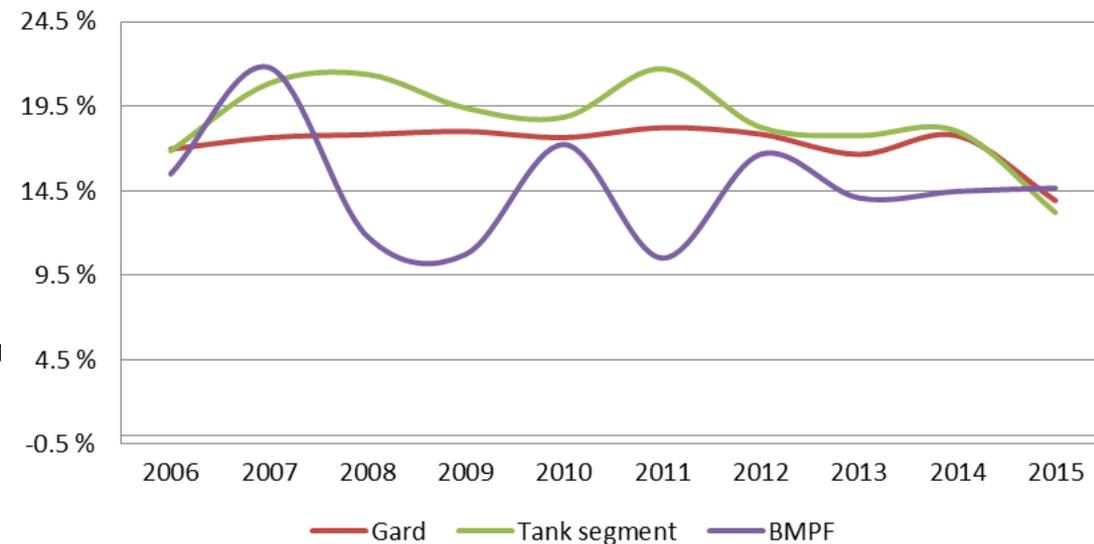
Frequency of All P&I clai



Frequency of Cargo claims

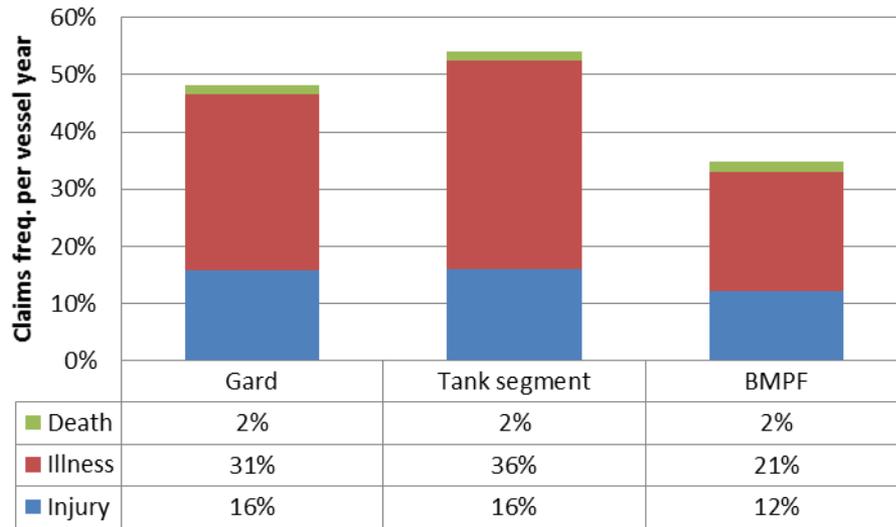


Frequency of Personell claims

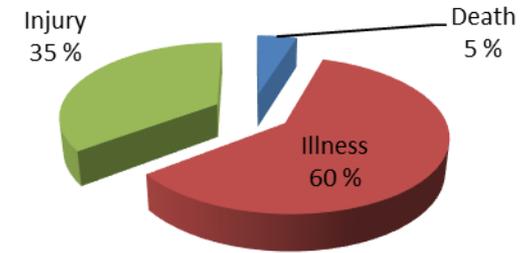


Crew claims frequency 2006-2015

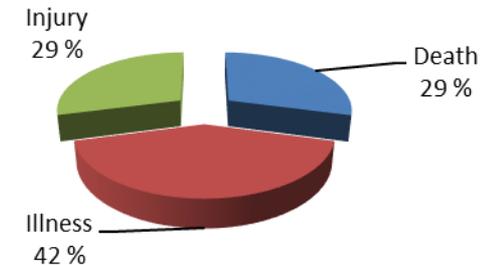
BMPF



Human claimtype - number



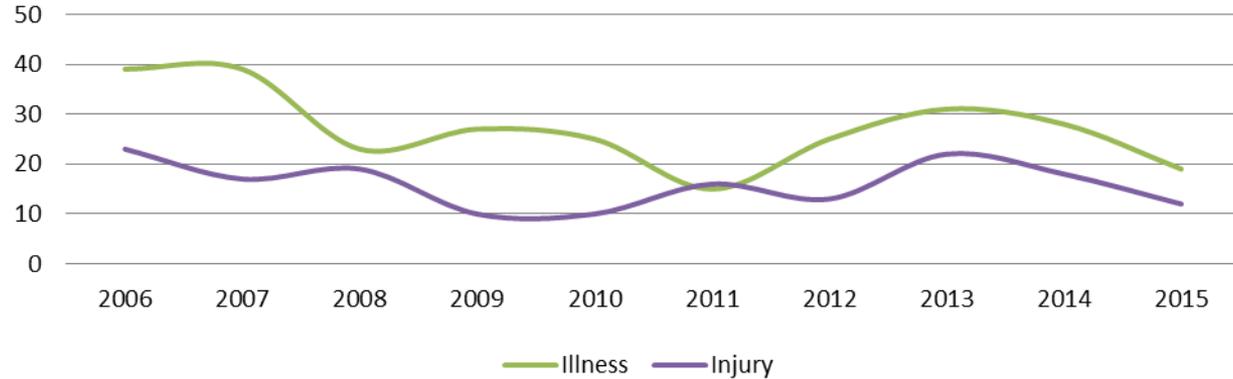
Human claimtype - cost



Human Claimtype distribution

BMPF

Human claimtype



Nationality and Rank distribution

BMPF

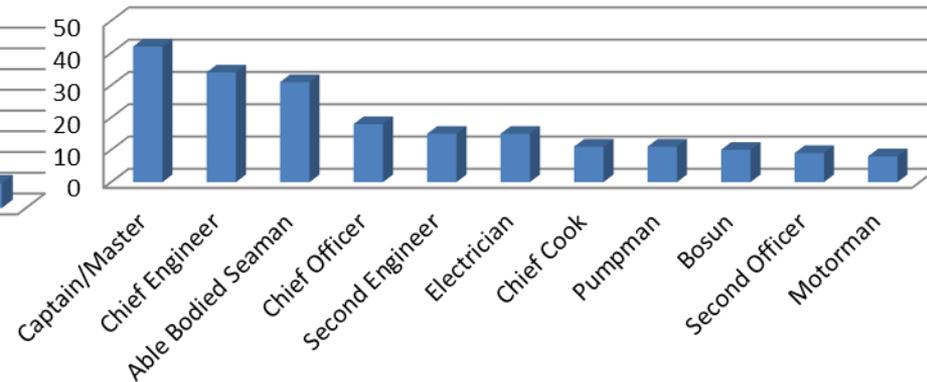
Nationality - No of Injury	
Nationality	Total
Poland	42
Philippines	40
Russia	24
Norway	9
Romania	8
Croatia	7
Latvia	2
Sweden	1

Nationality - No of Illness	
Nationality	Total
Norway	102
Philippines	74
Poland	30
Russia	19
Croatia	8
Latvia	7
Romania	5
United Kingdom	3

Title / Rank - no of Injury (top 10)



Title / Rank - no of Illness (top 10)



All nationalities vs Filipinos, top 20 illnesses

Abdominal Pain
Back Ailment
Heart Failure
Appendicitis
Kidney Stones
Hernia
Chest
Infection
Hypertension
Mental Disorder
Eye
Gastritis
Haemorrhoids
Stroke
Skin Disease
Toothache
Abscess
Cancer

Back Ailment
Abdominal Pain
Appendicitis
Kidney Stones
Eye
Skin Disease
Heart Failure
Hernia
Hypertension
Abscess
Infection
Haemorrhoids
Chest
Gastritis
Stroke
Cyst
Cancer
Gall Bladder

Back Allignment

- 25% of all Gard's crew claims costs
- Reason; incorrectly lifting, carrying and pulling loads
- The lifting of gangway case – 100% disability compensation (non US)

Typical costs (USD) involved in a non-invasive back injury case	
Repatriation	1,000
P&I correspondent	9,000
Substitute	3,000
Medical expenses	17,000
Sick wages	5,000
Disability compensation	130,000
Total cost (USD):	165,000

Loss Prevention; Body mechanics (how we..), physical condition (fitness), poor design/ slippery surface

Look after your back during manual work

Background

Every year, seafarers are injured through incorrectly lifting, carrying and pulling loads. Back injuries are one of the most common types of injuries suffered by ships' crew and can have serious implications for both the seafarer and the shipowner. An injured seafarer may find that his ability to do his job is affected and that his lifestyle in general may have to change. Shipowners on the other hand may have to bear substantial costs when an injured seafarer is unable to perform his duties on board. Since most back injuries are preventable, primarily by the use of proper lifting techniques, the purpose of this circular is to remind shipowners and crew of the importance of adhering to the proper instructions for lifting and manual handling of loads - regardless of the type of work and the time schedule involved in each particular task.



Gard's experience

Crew claims in Gard are those claims originating from illness, injury or death amongst ships' crew. A review of all such crew claims registered with Gard over the last 10 years shows that crew injuries make up quite a substantial part of all Gard's P&I claims costs. Over this period, close to 10% of Gard's total P&I claims costs were generated by crew injuries alone. Furthermore, back injury is by far the most expensive injury type, representing some 25% of all of Gard's injury claims costs. A review of the injury cases registered as occurring in a specific location on board indicates that almost half of all back injuries occur during work on deck or in the engine room. It is not possible to conclude that the age of the crew members involved in back injury cases is a contributing factor.

In one of the cases handled by Gard, a seafarer complained of pain in his lower back, radiating to his lower extremities, after a work operation involving lifting of the gangway. As his symptoms persisted, a doctor on shore was consulted and the seafarer was medicated and repatriated to his home country for further evaluation and treatment. The seafarer's disability grade was assessed to be high and, as the injury appeared to have occurred during his work on board, he was given a 100% disability compensation. The table below presents costs that potentially can be involved in any back injury case. There can also be additional costs not listed, e.g. related to possible voyage deviations and/or legal fees in case of disputes.

Typical costs (USD) involved in a non-invasive back injury case	
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Sick wages	5,000
Disability compensation	130,000
Total cost (USD):	165,000

Worth noticing is that the cost of each element may vary dramatically between different geographical locations, e.g. medical expenses in the U.S. can easily amount to USD 200,000 in a single case and even higher if hospital intensive care is required as daily hospital rates in the U.S. can be of the order of USD 25,000. Early notification by Members is particularly important in cases involving medical costs in the U.S. as this will allow Gard to evaluate the case and make arrangements for proper medical case management services and vetting of medical bills.

Back injuries - contributing factors

Some of the most common contributing factors to acute back injury relate to bad body mechanics, in other words, how we lift, push, pull, or carry objects; poor physical condition; poor design of job or work station; heavy lifting and/or poor underfoot surfaces such as slippery floors. It can be particularly challenging to carry out manual work tasks in a safe manner on board ships. Ships can be quite hazardous working environments and harsh weather conditions and movements of the ships are factors that must be taken into account. Decks can also be extremely slippery when continuously washed by the sea. Another challenge related to ship operations is time. With time being a critical factor, crew may sometimes feel pressured to take short-cuts and use unsafe working practices to achieve the planned sailing schedule.

Regularly assess the risks associated with the use of equipment if necessary. Lifting and work should be done as intended use.

Plan jobs to eliminate or minimise the need for manual work.

Customise training for each work group to address the risk factors associated with poor body mechanics.

Draw attention to the correct methods of manual work. An opportunity such as during safety meetings to provide instructions along with graphic illustrations at important locations on board.²

Stress the importance of teamwork. Work should be done with mechanical assistance for heavy and/or complex tasks.

Encourage early reporting of symptoms. Back pain or reduced robustness can be detected, acute back injuries can happen. Early reporting can often make the difference between a short and recovery period and long term permanent damage.

Promote exercise! A well-toned body can help prevent one suffering from lack of exercise.

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situations.

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Your contacts

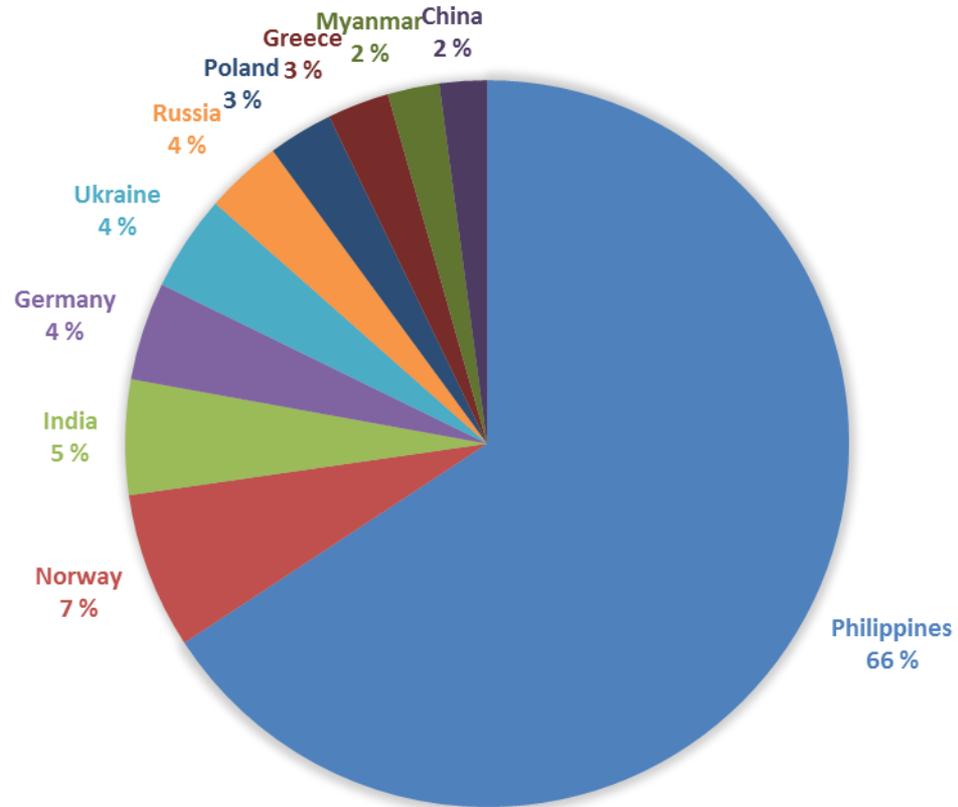
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Loss Prevention Executive
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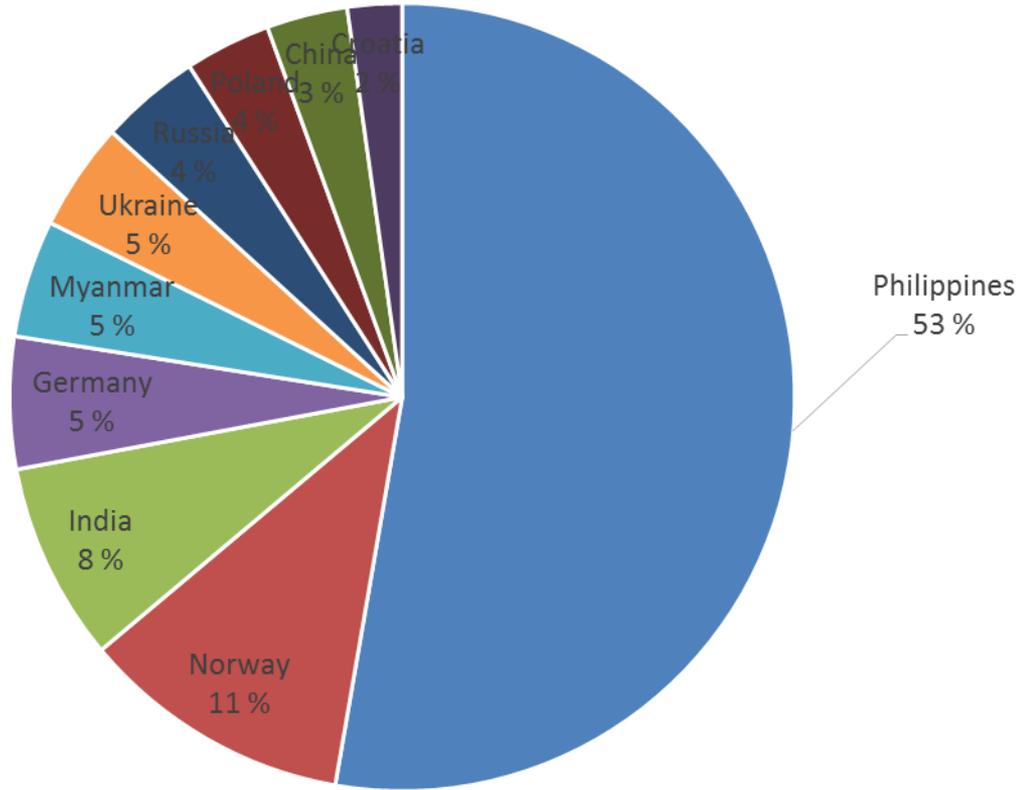
Why Enhanced PEME in Ph?

Nationality Illness (USD) 2010-2014



Why Enhanced PEME in Ph?

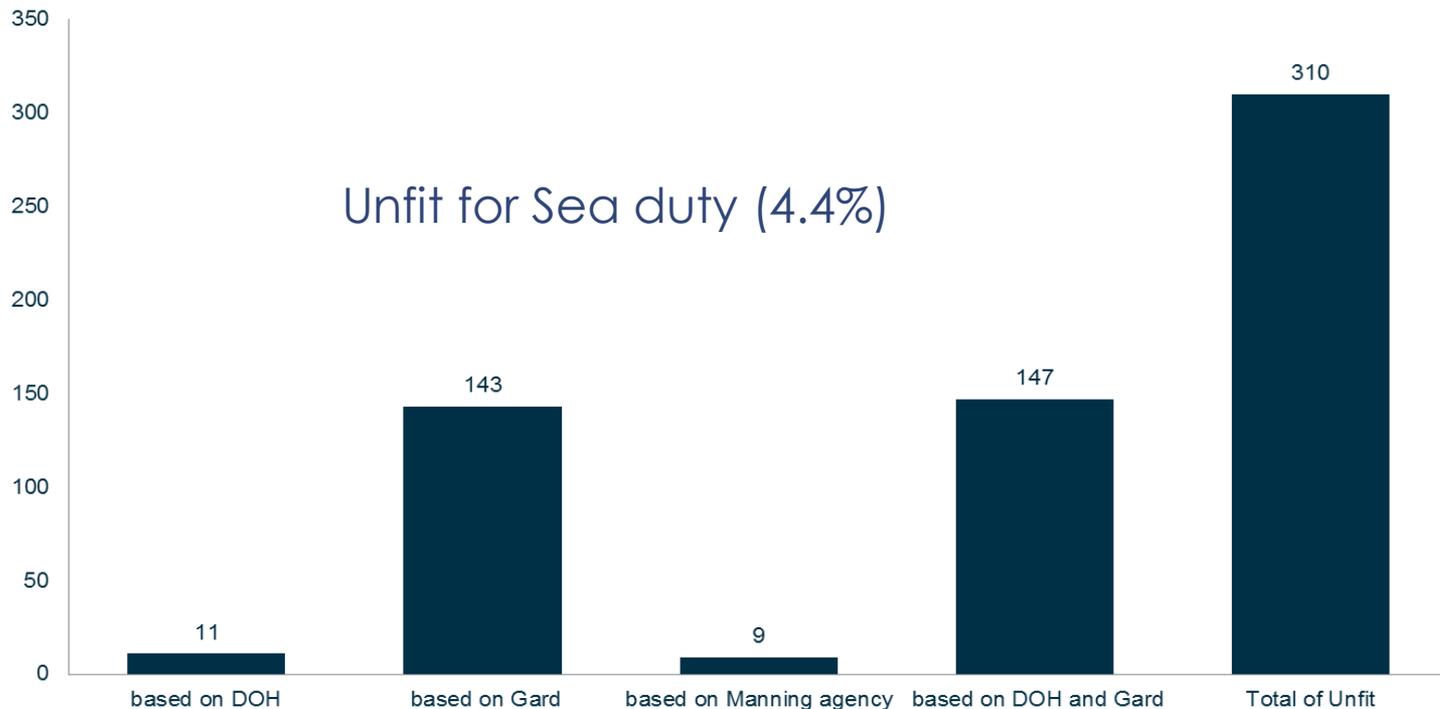
Nationality Illness (No) 2010-2014



■ Philippines ■ Norway ■ India ■ Germany ■ Myanmar ■ Ukraine ■ Russia ■ Poland ■ China ■ Croatia

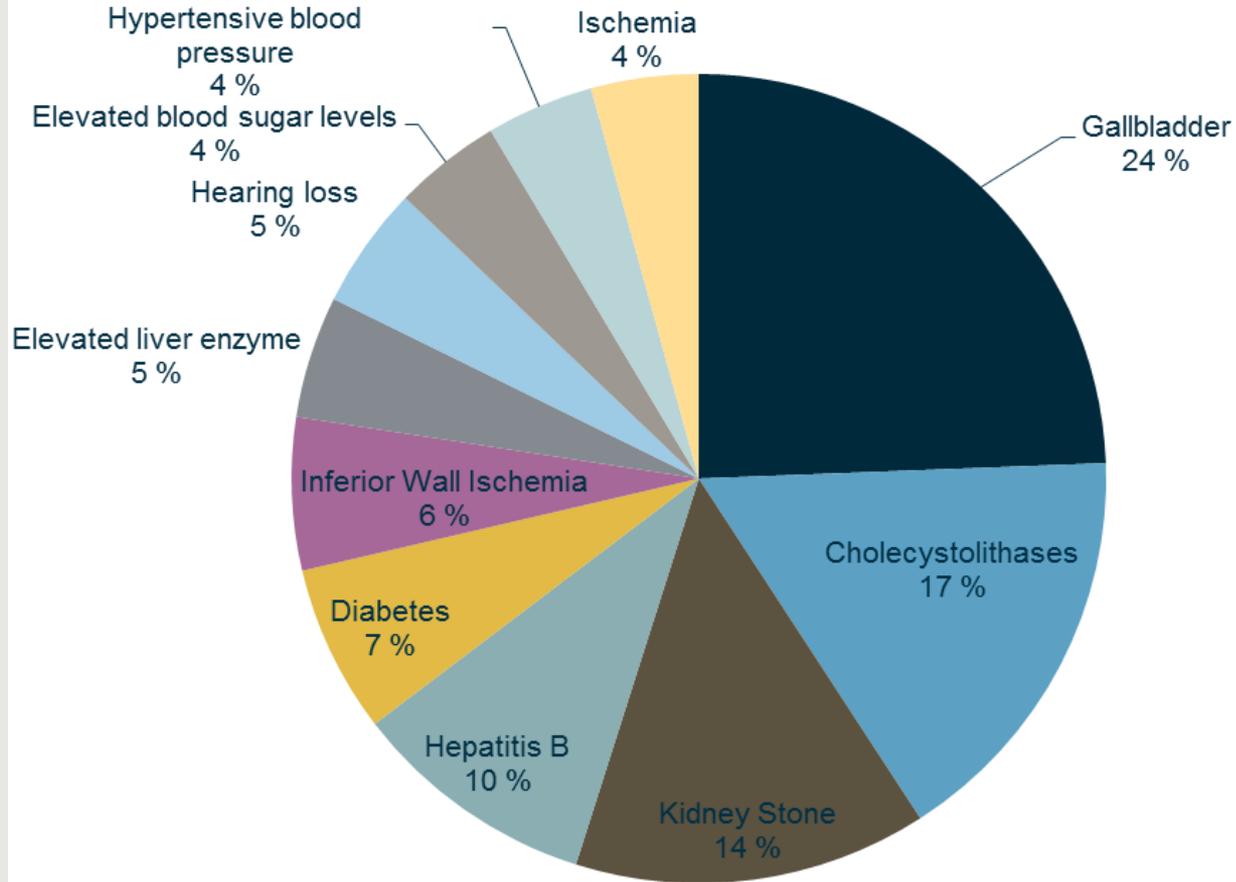
PEME Ph

Data based on PEME test done by the 3 «Gard» clinics



Worst case scenario: If these «unfit for sea duty» persons had been ill at sea the passage home would cost about USD 5.000.000

10 most common reason for «Unfit»



Concern; Food and activity

... a never ending story

Loss Prevention Circular No. 14-11

The impact of diet on performance and health

Background

Over the years Gard has seen that the medical status 'not fit for duty' and repatriations due to illness have increased in frequency. Working at sea involves long shifts of physically challenging work and frequent high levels of stress. To cope with their work situation and manage their day to day routine, seafarers must maintain both their mental and physical health.

A nutritious diet is considered to be one of many factors influencing an individual's mental and physical health; regular exercise, adequate rest and sleep, good hygiene, protection from workplace chemicals and noise, and a positive work climate in general are also important. However, many chronic diseases develop as a direct consequence of poor eating habits, particularly where obesity is involved. Although conditioned by background and geography, obesity is generally recognised as an increasing problem among seafarers. In 2010, the International Maritime Medical Association (IMMA) warned that 'seafarer health must be made a priority to tackle the rising tide of obesity among seafarers', while the International Committee on Seafarers' Welfare (ICSW) feature 'Overweight Prevention' as a separate topic in their Health Information Programme. The IMO's International Life-Saving Appliances (LSA) Code has also updated the requirements for life-saving appliances to reflect an increase in average body mass.

The purpose of this circular is to highlight the importance of a healthy selection of food onboard vessels, primarily as a means of reducing the potential for illness and chronic diseases developing amongst the crew, but also to keep the crew alert and thereby promote safety onboard.

Potential consequences of poor eating habits

Poor eating habits can lead to lack of sleep, digestive problems, depression and difficulty in staying awake and alert whilst on duty. These can also lead to obesity, diabetes 2 and heart problems in the longer term. If a seafarer becomes ill he may be unable to perform his duties, may have to be absent from the vessel, and there may be delays or diversions, costly medical claims, repatriation fees, possible litigation and settlement costs. To fall ill far away from home can also be a very difficult situation for the seafarer himself and his family.

The connection between fatigue and nutritional deficiency is well known and eating habits may therefore indirectly have an impact on the vessel's safety and work performance in general. Human error is often seen as the cause of accidents and may typically be related to poor judgment, misunderstandings, communication failures, and failure to follow prescribed standards – all of which may be linked to the crew's ability to concentrate and perform work tasks over any length of time.

We have also seen other consequences of poor physical condition and obesity. It is crucial that the crew onboard a vessel is able to act quickly in an emergency situation and it may become a safety issue if crew members struggle with emergency response and rescue operations such as searching smoke-filled areas, entering confined spaces or donning survival suits in an evacuation. Rescue of overweight people from the sea or using a stretcher onboard will require additional effort for those involved and can in an already critical situation further endanger the crew members.

Recommendations for meals onboard

Food habits vary a lot across the globe and the type of food served on board a vessel depends on the geographical location of the vessel, access to fresh ingredients and the nationalities, cultures and religious beliefs of the crew. It is therefore difficult to give a universal practical guide to healthy eating onboard all vessels but, in general, a healthy and nutritious diet must consist of a selection of food that, in combination, provides the body with the nutrients it needs; proteins, carbohydrates and fats as well as a selection of vitamins and minerals. A balanced diet for seafarers must also take into account the fact that some of the work performed onboard can be extremely physically demanding.



Your contacts

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Onboard accessor

Approval of BRM- ERM onboard training

Bedømmelse av BRM- og ERM-kompetanse

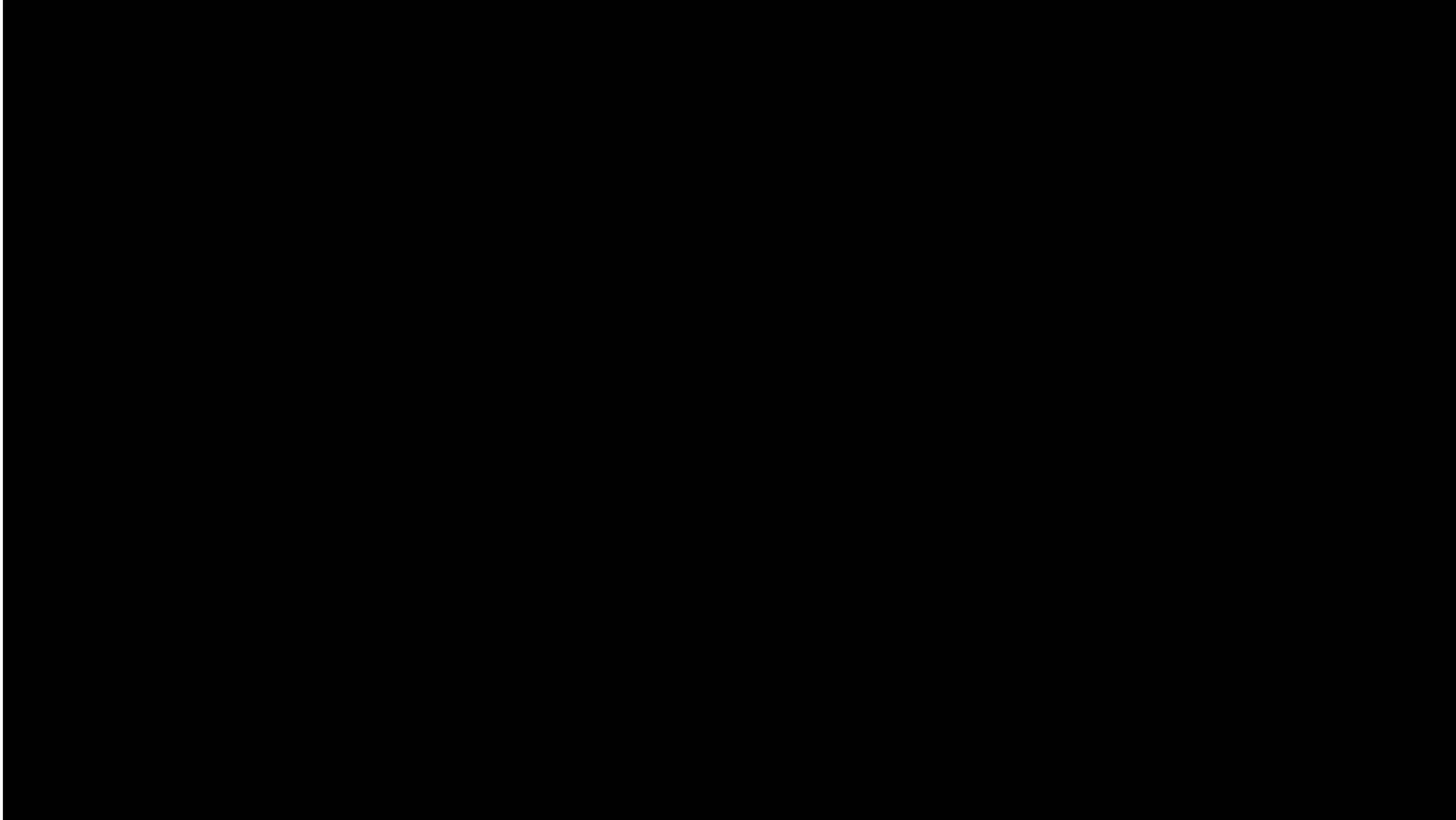
I henhold til [rundskriv RSV 15-2014](#) har vi åpnet for at BRM- og ERM-kompetanse kan dokumenteres gjennom **en bedømmelse** av godkjent assessor, **forutsatt** at sjømannen har relevant BRM- eller ERM-erfaring fra tjeneste. Denne måten å dokumentere BRM-/ERM-kompetanse på, blir

- Coaching and training skills of assessor?
- Handling a complex situation with tugs and pilot?
- Team response in crisis response?
- Communication, power distance, speaking up culture, decision making etc. Daily scenarios to support such training?

Market or safety driven change of requirements?

BRM- ERM issues in ALL incidents

Do we have enough resources onboard to create a good learning environment?



Onboard leadership

Implementation of lessons learned

«Accidents are often not the result of a lack of learning, but of the failure to implement the lessons learned».



Case; Organisational learning

- A 25400 DWT Tanker was crossing the Pacific Ocean, bound for Korea.
- After a few days on the voyage, the officer on the 00-04 watch observed that the vessel would pass very close to a small island during the next watch (the 04-08 watch).
- The OOW made a few corrections on the course to compensate for the drift
- At 04:00 the watch was handed over to the chief officer.
- At 04:36 a grounding was avoided in the last minute by altering course



Placing individual blame might satisfy those seeking “someone to hold accountable” but it often only serves to hide the real source of the error and drives mistakes underground

Real as opposed to “ceremonial” learning

Preconditions for learning

- Reporting of unsafe acts are motivated
- The purpose of reporting is shared and clearly understood
- Anonymity is ensured
- Root causes rather than easy reckonable individual errors made
- Facilitate implementation also on organizational level
- Feedback and reward

Learning the lessons from near-misses should help to improve safety performance since near misses can share the same underlying causes as losses (ISM).



Learning cycle is often not fully integrated or used in the wrong way

- reporting of human errors alone will not improve organizational learning

Learning from the experience of each other

Safety meetings and work shops - five success criteria

- **First**, people learn more easily and effectively from stories about incidents than from abstract information, or from safety slogans.
- **Second**, learning is best achieved by doing, e.g. writing a summary and present it - tell the story - for the team/crew. Listening passively to an accident briefing will have limited effect.
- **Third**, learning can be enhanced if the crew discuss whether or not a similar accident could occur in their own context and what the controls (barriers) are to ensure that it does not.

- **Fourth**, The presentations should be given by the master/CE (or top management) focusing on the lessons they have derived from an incident - not only on «the importance of safety».
- **Finally**, master/CE (or top management) should, if possible, take active part in group work sessions and safety discussions.

A practice of just sending out alerts, bulletins or notification about incidents has limited effect!



Preventing accidents

Onboard discussions and safety talks

- 15.12.2015 Case study: Lifeboat safety drills and maintenance
- 02.09.2015 Case study: Have you checked your ECDIS
- 13.07.2015 Case study: Pilotage
- 13.07.2015 Case study: Anchor handling operations - c
- 18.12.2014 Case study: Entry into enclosed space
- 14.11.2014 Case study 39 - Engine breakdown
- 12.09.2014 Case study 38 - Grounding
- 07.07.2014 Case study 37 - Offshore loading operati
- 09.05.2014 Case study 36 - Bridge management
- 20.12.2013 Case study 35 - Liquid cargo sampling
- 16.10.201
- 09.07.201
- 10.06.201
- 16.04.201
- 20.12.201

Case study for onboard safety meeting Pilotage

Please read the below story of an incident. Keep our company's standards and procedures in mind while reading to compare with the actions of the crew below as we will discuss the factors which led to the incident occurring.

"Good afternoon, Capt. I'll take over. Starboard 10, come to two five six degrees and full ahead."

We are on board a tanker, approaching a terminal somewhere in the Western Hemisphere. The speed is

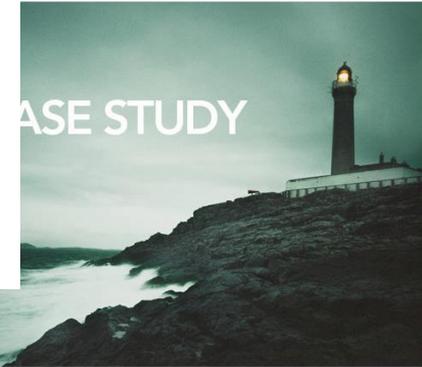


Case studies for DISCUSSION

FRIDAY, 20 DECEMBER 2013
CASE STUDY

CASE STUDY NO. 35: SAMPLING

Case study for onboard safety meeting



action of
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detailed
ation ship

Disputes relating to "off-spec" or contaminated liquid cargoes are a recurring problem and Gard is often involved in cases where the shipowner has no independent evidence as to the cause of an alleged cargo contamination. The source of the problem could be in the shore tank at the load port, in the shore pipeline during loading or on board the vessel itself. The cargo could even have been manufactured out of specification prior to delivery to the terminal for shipment. But if the cargo is found to be "off-spec" when the vessel arrives at the discharge port and there is no evidence of contamination from the load port, the vessel could be faced with a potentially large claim, even if the vessel is not at fault.

By far the most important sample is the "first drop" manifold sample - a sample taken of the very first

Recommendations

- Safety costs – try an accident. Focus on what goes better when ships have better time. Bring this philosophy into busier times.
- Your organisation might be geared for lower activity – do proper risk assessment before speeding up operations
- Personal level; Use of PPE and physical condition/ nutrition
- Phillipinnes; a more thorough PEME will reduce illness claims
- Ship / team level; Focus on leadership and learning opportunities. BRM/ ERM is vital training
- Company level; No correlation between safety performance and crew nationalities. It is the company's safety culture that makes a difference

Are we prepared for Full throttle when market is picking up?

Superspeed IV...



Thank you

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