

## 2020 renewal update

**The London P&I Club has recently concluded the 2020 renewal. Developments involving our Membership are summarised below, together with an outline of other Club news featured in this edition.**

Director of underwriting, Reto Toggwiler, says: "A priority at this renewal has been to work with Members and brokers to address an imbalance in the Club's risk exposure/premium which followed a prolonged period of soft conditions in the P&I market. More recent evidence of increasing claims costs, involving our Members and pool claims from other Clubs, underlined the importance of this work.

"This has all led to detailed engagement concerning Member

rating, records and risk exposure, as well as some intense discussions over the increases being applied. In the vast majority of cases, we've been able to agree terms. The outcome of the renewal is that the reductions in rates over recent years have been stopped and put into reverse."

Reto continues: "At the renewal, we were also pleased to welcome new Members to the Club based in China, Greece, Monaco, South Korea and the UK. We also saw additional entries placed with the Club by existing Members, and we thank all our Members and business partners for their support.

"Unfortunately, our renewal objectives meant that it wasn't possible to agree terms in a small number of cases and so not possible to maintain these Memberships. That is something which we'd have preferred to avoid – but it reflects the importance

we place on taking the right measures to strengthen the Club's performance. Further information on the Club's Membership and underwriting will, as usual, be included in our Annual Report later this year.

Elsewhere in this *Club News*, we report from the 19<sup>th</sup> Marine Club Annual P&I Conference, where claims director, Steve Roberts, spoke on P&I market issues. We also report on the 2019 International Group Regional Seminar for P&I Correspondents, held in Singapore. Additionally, we feature a visit by a delegation of shipping management students from the University of Piraeus to our London office. There is also news of the launch of new Club loss prevention materials and of our recently obtained Cyber Essentials Plus accreditation. Plus our regular section on 'Management News' while 'Club People' profiles Derek Shum from our Hong Kong office.



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Club people  
**Derek Shum**

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# Marine Club conference discusses P&I market issues



Left to right  
Maria Prevezanou, Dino Caroussis  
and the Club's Steve Roberts

**The trend of premium income erosion in the P&I market was among the topics considered at the 19<sup>th</sup> Piraeus Marine Club Annual P&I Conference, organised by Evmar Marine's Maria Prevezanou.**

The Club's claims director, Steve Roberts, was one of the panellists involved in a lively discussion at January's event. Participants also looked at the impact of the soft market conditions and steps taken by Clubs to deliver more balanced and sustainable performance.

The panel discussions, and feedback from the audience, noted that recent reductions in premium levels had coincided with an increase in the cost of claims in the last two years. At the same time there was an upward pressure on operating costs driven by the response of Clubs to various industry issues

confronting Members. One particular example of this was noted to involve the intensification of sanctions enforcement, leading to an increase in the volume and complexity of enquiries and other sanctions-related issues requiring attention.

While the discussions also mentioned the demanding nature of the regulatory capital requirements met by the Clubs and the attendant strength of their capital positions, there was a broad consensus that if the downward trend were to continue the position would become unsustainable.

There was, therefore, broad acknowledgement that the measures taken by many of the Clubs to increase rates at the 2020 renewal were in the long-term interests of their Members, particularly to avoid substantial corrections in the future.



Steve Roberts (right)  
and James Bamforth at the  
Marine Club conference

## New guide and video launched



The new Holds and  
Hatch Covers guide

The Club has published its updated guide – *Holds and Hatch Covers*. The in-depth guide covers important safety issues, highlighting right and wrong ways of working, as well as correct practices and potential dangers. It examines some of the common causes of damage, loss and personal injury associated with cargo holds and hatches, and how to minimise risk and reduce cargo claims.

A copy can be viewed or downloaded by clicking [here](#). Printed copies are available for Club Members and Assureds by emailing: [stoploss@londonpandi.com](mailto:stoploss@londonpandi.com)

The Club has also produced a new loss prevention video entitled *Bunker Spill – Loss Prevention Case Study*. Taking its lead from investigations into a significant claim, the animated film focuses on a bunker spill caused by several related incidents including inadequate briefing, poorly labelled equipment and distracted crew.

It shows how the claim could have been avoided and the important loss prevention lessons that it highlights. It can be viewed by clicking [here](#).

# Club helps IG focus on Asia-Pacific correspondents

**To reflect the growing importance of the Asia Pacific region to shipping and the global economy, the International Group (IG) recently held its first Regional Seminar for P&I Correspondents in Singapore.**

Garry Stevens, of the London P&I Club, is chair of the IG's correspondents sub-committee and was heavily involved in the event. The seminar at the Raffles City Convention Centre proved very popular, with about 250 correspondents attending from 63 countries, plus 100 staff from IG Clubs.

Speakers at December's event included the IG's Chairman, Paul Jennings and the IG's CEO, Nick Shaw, as well as senior staff from IG Clubs' Asian offices and several external speakers. Presentations covered a range of topics including personal injury risks, cargo claims and collision and pollution cases.

As well as the seminar, delegates also enjoyed a welcome reception at the convention centre and dinner at the Hotel Fort Canning. The next International Conference for P&I Correspondents is currently expected to be held in September 2021, probably in London.



**P&I correspondents from 63 countries attended the recent IGP&I seminar in Singapore**



**Garry Stevens of the London P&I Club speaking at the seminar**



**Club director, Steve Roberts, welcomes the students to the London office**

## Club hosts students from Piraeus

**The Club's London office again welcomed students from Piraeus University in Greece after a similar event last year proved a great success.**

About 50 students from the university's department of maritime studies made the trip in February.

They were given presentations by Club director, Steve Roberts, on an overview of P&I insurance, and Ian Carter on a casualty case-study.

The students also had the chance to meet informally with other members of our team to discuss the Club's work and various P&I issues.



**The students from Piraeus University meet Club colleagues**



# Club people

## Derek Shum

Claims Manager, Hong Kong

**When his mother was made 'godmother' to a ship with a similar Chinese name to his, Derek seemed destined to follow a life in the shipping industry.**

He's been surrounded by the industry since childhood, as his mother works as head of legal and insurance for a leading Hong Kong-based Shipowner. Derek says: "I remember a story when my mother was made the 'godmother' of one of their ships years ago, named 'Tiwai Point' which is similar to my Chinese name 'Tin Wei'. That made the first connection with shipping for me as a kid. I remembered being amazed by those massive floating structures like the size of a football pitch crossing oceans and around the world, and I still pretty much feel the same nowadays."

Derek went on to gain a Law LLB degree at the University of Birmingham and was an intern at some of the major marine law firms and brokers in Hong Kong and London during his studies. He joined the Club in 2015 and handles P&I and FD&D matters for Members in the Far East.

He finds the various aspects of his role and the industry very appealing. Derek comments: "I enjoy meeting and working with people from different parts of the world and learning about their different cultures. It also gives me an insight into international markets and truly opens my eyes to the global events that are happening around us."

"I also enjoy supporting our Members and find a strong sense of professional satisfaction when I can deliver a constructive solution to Members who need assistance."

Derek adds: "Coming off university and going straight into a P&I Club, and I think being a quick learner has helped me quickly adapt to the fast-paced and dynamic environment of marine claims. No day is the same and together with my problem-solving skills, I feel I can make a real and important contribution in handling and finding solutions for the ever-changing challenges Members face." He speaks fluent English, Cantonese and Mandarin and has a deep understanding of their respective cultures – which all add up to very effective communication.

Being able to develop other areas outside his main role gives Derek a real boost. From visiting a ship at close quarters in dry-dock to being involved in the Hong Kong marketing team which requires a different set of skills and leads to more travel to mainland China.

Outside the world of work, Derek's main sport is tennis, both playing and following the major tournaments. And back to the sea and boats – Derek enjoys the thrills of wakeboarding and wakesurfing!

## MANAGEMENT NEWS

The Club has recently welcomed three new colleagues to our London office. Harry Wilson joins as an underwriting assistant; Jasmine Denham is a new claims services assistant, while David Manton becomes lead application developer.

Nick Shaw, CEO of the International Group, gave a presentation to the Club's management team in March on the work and key arrangements of IG.

The Club continues to hold its series of lunchtime seminars at its London office. Recently, Paul Willis of Hawkins hosted one entitled 'Hot Coal'.

## Club gains cyber recognition

The Club has recently been awarded Cyber Essentials Plus accreditation, which is given to companies who have successfully implemented systems to protect against common cyber threats. The award demonstrates the Club's commitment to cyber security and its dedication to mitigating cyber risks when providing services to its Members.

The UK government-backed scheme is designed to improve the resilience of UK businesses to the most common cyber security threats.

Cyber Essentials Plus is a more advanced level of assurance and includes an additional internal scan and on-site assessment.



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