



# Claim Handling Strategies

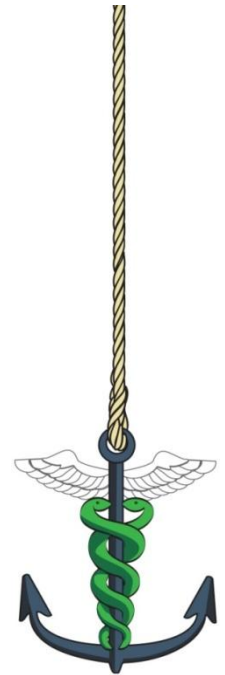
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# Who we are

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- Head office domiciled in NY with offices in UK, Hong Kong & Shanghai
- The Club is member of the International Group of P&I Clubs, a collective of 13 mutuals
- Mutual, Non-profit Insurance Association
- Claims are funded by premium
- Insures particular marine risks
- Claims are covered by the rules
- We act as a consultant expert and insurer
- Assist throughout an insured incident



# Risks covered

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## Protection & Indemnity (P&I)

Loss of life, injury and illness of the crew, passengers and other persons

- Cargo loss, shortage or damage
- Collision
- Damage to docks, buoys and other fixed and floating objects
- Wreck removal
- Pollution
- Fines and penalties
- Mutiny and misconduct by crew
- Crew repatriation and substitution
- Damage to property on board the insured vessel
- Quarantine
- Vessel Diversion Expenses
- Unrecoverable GA contributions



# Risks covered

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## Freight, Demurrage and Defense (FD&D)

- Charterparties
- Contracts of Carriage
- Bills of Lading
- Contracts of Affreightment
- Vessel building contracts
- Vessel sale and purchase contracts
- Vessel repair contracts
- Vessel agency, stevedoring, towage and salvage contracts
- Insurance broking, ship broking and management service contracts
- Bunker and necessaries contracts
- Crew contracts
- Marine Insurance Contracts



# Claims Handling

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Claims can be either straightforward or complex! Thus, the professional management and handling is vital because it ensures:

- ✓ The identification of the nature of the claim
- ✓ The proper allocation of responsibility
- ✓ The mitigation of losses
- ✓ The ascertainment of recovery prospects
- ✓ The eventual payment of legitimate claims





# The strategic steps following an incident

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1. Early notification
  2. Identification of all potential claims and their nature
  3. The appointment of all professionals:
    - Correspondents
    - Surveyors
    - Experts
    - Lawyers
  4. The proper/timely collection of evidence
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# The strategic steps following an incident

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5. Assessment of the potential exposure/liabilities and evaluation of the merits
6. Estimation of quantum of the claims
7. Arrangements for provision of security
  - LOU is the preferred form!
8. Negotiations





# How it works!

## Personal injury - illness - death

### CREW

- Immediate response
  - Apply medical first aid
  - Seek medical radio advice
  - Evacuate
- Obtain Master's report of the incident
- Collect Crew Statements
- Appoint correspondents to assist
- Gather all info as to the precise circumstances
- Review of crew contracts
- Investigation of liabilities under applicable jurisdictions



# How it works!

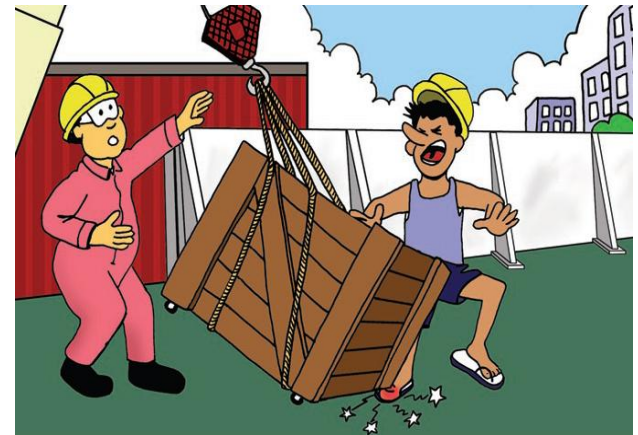
## Personal injury - illness – death

### THIRD PARTIES (i.e. stevedores, longshoremen, supercargo etc.)

- Investigate the circumstances on board
- Check on any appointment letters, contracts of engagement
- Check on potential liability under local laws & legislations

General duty of care by shipowner under:

- Contract
- Statute
- Common Law



# How it works!

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## Personal injury - illness – death

**THIRD PARTIES (i.e. stevedores, longshoremen, supercargo etc.)**

### **Claims Management:**

- Control access to the ship
- Require indemnities to be given
- Ensure safe environment



# How it works!

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## Stowaways

- Need to determine true identity and nationality
- Prepare ID docs
- Find jurisdiction (country) that allows disembarkation
- Escort attendance by airlines and immigration authorities
- Extra precautions by vessel to ensure no escape

### **Claims Management:**

Conduct thorough checks prior living ports



# How it works!

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## Cargo

### Various aspects involved:

- Types of cargoes
- Methods of carriage
- Types of vessels
- Causes of damage
- Legal aspects (i.e. jurisdictions, applicable laws)
- Exoneration and limitation of liability issues



**This is why expertise is required!**

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# How it works!

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## Cargo

### Claims Management:

- Appoint a surveyor ASAP
- Secure evidence!
- Consideration of liabilities under applicable contracts in effect and jurisdiction
- Negotiate a swift amicable settlement if and when reasonable



# Best Strategy

## Precautionary Measures

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Good claims handling starts before the claims come in!

- ✓ Claims team can provide information, assistance and guidance on loss prevention measures on various issues
- ✓ Loss prevention measures applied through acquired knowledge and expertise
- ✓ Owners must be PRO-ACTIVE



# Conclusion

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- Every claim has its own specific strategy
  - Key elements though:
    - ✓ Prompt notification
    - ✓ Determination of nature of claim
    - ✓ Appropriate use of extensive network of lawyers, experts, correspondents, surveyors
    - ✓ Collection of evidence
    - ✓ Evaluation of merits & assessment of liabilities
    - ✓ Negotiation of claims
  - Guidance through knowledge, expertise & experience!
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Thanks for your attention!

