



### **INSURANCE – P&I – Alistair Groom, Chairman, International Group of P&I Clubs**

After he qualified as a barrister in 1976, Alistair was employed by Charles Taylor and Co, managers of the Standard P&I Club. After time as joint senior underwriter of Charles Taylor's P&I division and then as operations director, he was made Chief Executive in 1993.

Without a P&I certificate you don't have a ticket to trade, said the Chairman in his introduction. The IG Clubs are committed to improving quality standards in shipping, and support and subscribe to the objectives of the Poseidon Challenge for the continuous improvement of the tanker industry's performance in striving to achieve the goals of zero fatalities, zero pollution, zero detentions. Chances of eliminating casualties altogether pretty small so we will still have a job. But if you don't aim for zero then you won't get anywhere near there.

P&I Clubs' primary role is not that of policemen of quality; it is that of being insurers. Having said that we can play an important part in the drive to eliminate substandard shipping.

Poseidon Challenge – Target Zero. Some achievements... more to do.

IG Group clubs insure more than 90% of the world's ocean going shipping and close to 100% of ocean-going tankers. YET only 49% of ships detained are insured by IG clubs and only 1% of ships detained are insured by an identified non-IG insurer ... for the other 50% of ships detained, the insurer is unknown. P&I is a ticket to trade but the IG cannot solve the problems on its own – though we certainly can contribute.

IG quality measures for 2005 included changes to underwriting guidelines and survey requirements, harmonisation of ship survey target criteria, work on the ship survey database.

#### **COMMITMENTS:**

- Procedures (additional survey requirements) for heavy fuel oil.
- Double pooling retention provisions – special financial penalty on a club underwriting a substandard ship – needs clear definition of substandard
- Designated vessels as substandard – addressing what we mean by substandard
- Initiative towards and participation in IOPC Fund WG on non-technical measures to promote quality shipping for carriage of oil by sea; consideration of possible insurance measures and mechanisms to improve the safe transportation of oil and sharing of information
- Quality performance monitoring for measuring what were doing - survey database, claims database, designated vessel data, monitoring psc detentions.
- Finalise the design of, and implement, double-retention financial penalty on underwriting substandard ships
- Improve claim data statistics within the IG to help identify how incidents are occurring
- Reduce the percentage of port state control detentions involving ships entered in IG clubs