



International Group of P&I Clubs

POSEIDON CHALLENGE – TARGET ZERO

Presentation by
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Poseidon Challenge – Target Zero



The International Group 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

Poseidon Challenge – Target Zero



The International Group clubs insure:

- more than 90% of the world's ocean-going shipping
- close to 100% of ocean-going tankers

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The International Group exists:

- to co-ordinate collective insurance and reinsurance for the clubs in the Group
- to represent the views of clubs' shipowner members on matters of concern to the shipping industry in relation to insurance and liability issues
- to provide a forum for the exchange of information

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Involvement of the International Group in ship quality initiatives:

- International Group involvement – joint and co-ordinated action – effective but measured
- initiatives of individual Group clubs – competition to develop lead industry positions – less co-ordinated but more agile

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International Group initiatives:

- co-operation and coordination with:
 - EU and Governments
 - IMO/IOPC Funds
 - classification societies
 - shipowner & cargo organisations
 - hull and machinery insurers
- development and implementation of quality underwriting and loss prevention initiatives

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Individual club initiatives:

- underwriting quality programmes
- survey programmes
- audit programmes
- loss prevention seminars
- loss prevention publications
- loss prevention tools

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International Group ship quality measures agreed in **2005** include:

- new underwriting guidelines
- minimum condition survey requirements
- additional survey requirements for entered vessels – eg HFO
- common minimum scope of information for club condition surveys
- harmonisation of ship survey target criteria
- ship survey database

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International Group ship quality measure under way in **2006**:

- HFO procedures take effect
- double Pooling retention provisions
- ‘designated vessels’
- IG initiative towards and participation in new IOPC Funds working group on non-technical measures to promote quality shipping for carriage of oil by sea established at the IOPC Funds Assembly in February/March 2006

Terms of reference include consideration of possible insurance measures and mechanisms to improve the safer transportation of oil and sharing of information

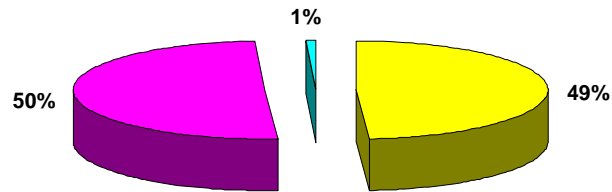
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Quality performance monitoring:

- ship surveys
- Group claims databases
- Group condition survey database
- ‘designated vessel’ data
- Port State Control detention analysis

PSC Detentions

IG clubs insure 90% of tonnage but have only 49% of the detentions



- Percentage of ships detained insured by IG clubs
- Percentage of ships detained where insurer is unknown
- Percentage of ships detained insured by identified non-IG insurer

Data supplied courtesy of UK Club

Constraints:

- risk of conflict with EU and national competition regulations
- legal barriers in some jurisdictions to exchange of information
- incorrect perception that the Group can solve quality issues through insurance solutions
- need to co-ordinate the aims, objectives and appetites of all clubs and members



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SOME ACHIEVEMENTS – MORE TO DO