Rest assured.

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Safely with Skuld

A loss prevention guide for seafarers

SKULD

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This booklet is intended to be a guide for seafarers serving on board our members' vessels who want to learn about what we, Skuld, as their global marine insurer can offer and how they can contribute to reducing any damage or loss to people, the environment, the vessel, and her cargo.

Skuld offers Mutual P&I insurance, Commercial fixed P&I, Yacht liability cover, Charterers' liability and more through our Skuld office network. Protection & Indemnity (P&I) is Skuld's largest line of business. The P&I cover protects our members against third party losses and liabilities and gives access to the professional services offered by Skuld's experienced teams. Skuld is a leading provider of Hull and Machinery (H&M) insurance, and associated covers, to shipowners around the world. H&M insurance covers physical damage to the vessel.

This guide provides insights into various marine risks which are laid out in separate sections. In addition to looking at major risks against which our shipowners are insured, we also want to provide some simple advice to help you to protect your crew and ship, as well as saving everybody a lot of trouble. As a seafarer you also help the vessel's owners. Reduced losses mean reduced insurance premiums for the shipowner. Everybody benefits if everyone is doing the right thing at the right time.

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CHAPTER 01

Glossary

About P&I

What is P&I insurance?

P&I stands for "protection and indemnity". This insurance covers so called "third-party liabilities". These are losses of, or damage to, an asset of another party, a "third party", which were caused by the party ("the vessel") insured. P&I cover does not include any damage to the vessel herself; this is covered by her hull and machinery insurance.

What exactly does P&I insurance cover?

Third-party liabilities which are covered by P&I insurance typically include: loss of life and personal injury to crew, passengers and other people carried on board; cargo loss and damage; pollution by oil and other hazardous substances; wreck removal; collision; and damage to property, just to name a few. For details about the extent of the P&I insurance cover, please see our P&I rules on www.skuld.com/products/Conditions/

Skuld's P&I rules are valid for the entire cover period, which is usually one calendar year, starting on 20th February at 1200 hrs GMT each year and ending on 20th February 1200 hrs GMT the following year. The Skuld P&I rules are published annually shortly before the beginning of each insurance year on our website.

What is a P&I Club?

As a mutual association, Skuld is owned and controlled directly by its members. Our operations and activities are overseen by a board of directors elected from the shipowners who have their P&I insurance with Skuld (our membership). The day-to-day operations of Skuld are handled by the association's president and CEO, who is appointed by and reports to Skuld's board of directors.

What is the International Group of P&I Clubs (IG P&I)?

Currently there are 12 P&I Clubs which have formed the International Group between them to co-operate on various issues while remaining independent insurance associations. These 12 P&I Clubs provide marine liability cover (P&I) for approximately 90% of the world's ocean-going tonnage. More information can be found on the IG P&I website: https://www.igpandi.org/about/.

What is a "member"?

At Skuld, we call the shipowners who have their P&I insurance "entered" with Skuld our "members". Charterers who have their P&I cover entered with us we refer to as "charterer members" or "assureds".

What is a P&I claims handler?

Claims handlers working at Skuld handle P&I insurance claims submitted by our members. Many of the colleagues have a law degree, but we also have colleagues who have a business management degree or a seagoing background. The claims handlers will, depending on how early they are being notified of an incident by either a shipowner or by the master of a vessel insured with us, either help the members to limit their loss by recommending mitigating steps, or in case an incident has already happened, assist with legal advice and provide technical advice as received from our loss prevention department. The P&I claims handlers also handle an insurance claim, presented by a third party, for and on behalf of our members.

Skuld also regularly plays a leading role in co-ordinating the response to, and management of, maritime casualties.

What is a P&I Club correspondent?

Since ships trade worldwide, it is important that Skuld can assist our membership in any port on a 24/7 basis. To provide "round-the-clock" assistance, Skuld set up a correspondents' network to assist any vessel at any port worldwide on any given day of the year. Depending on the country, P&I Club correspondents can be another Skuld office, a local law firm, or a company set up to work as a P&I Club correspondent office. These specialised P&I Club correspondent offices often operate as P&I Club correspondents for various IG P&I Clubs. Any correspondent who wants to be listed with Skuld will undergo a thorough evaluation by Skuld before being approved and listed on our website (www.skuld.com) as a Skuld correspondent.

How can a P&I Club correspondent help you?
If a vessel has any problem or issue in any port, the vessel or her owners can directly contact the local P&I Club correspondent. The local correspondent can then, depending on the help requested, quickly involve more local resources, for example by sending a surveyor to attend on board, or help with finding a suitable hospital for a sick crewmember, or appointing a local lawyer if there are issues with local authorities. The contact details for all our local correspondents can be obtained from our webpage under www.skuld.com/correspondents/

What is a Skuld underwriter?
Skuld underwriters are colleagues who provide our members, assureds, and insurance brokers with a suitable Skuld insurance cover for their vessel or fleet. These colleagues focus on getting the best suitable insurance cover for our members and assureds; they do not deal with insurance claims.

About additional insurance cover

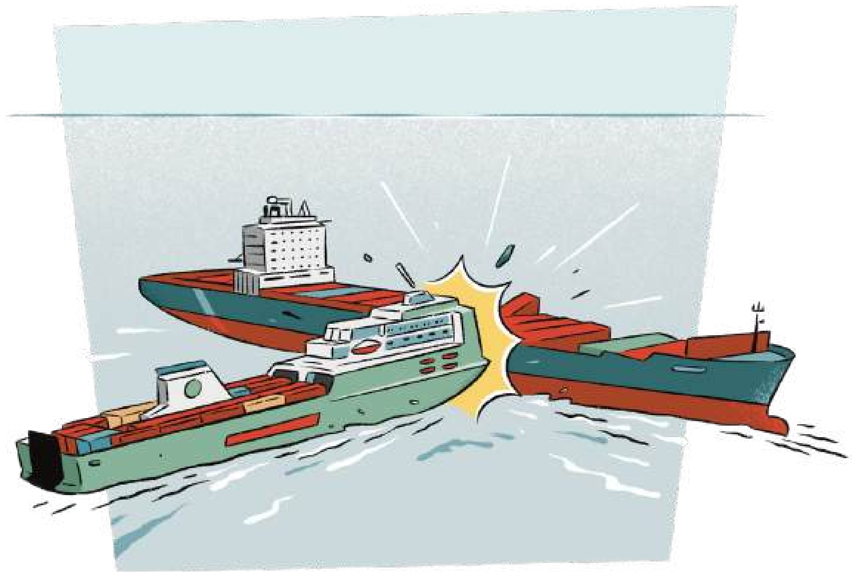
What is extra insurance cover?
The main insurance product is the P&I cover. There may, however, be situations in which a shipowner or charterer needs additional insurance in addition to the standard P&I cover for shipowners.

In many instances additional insurance covers can be obtained through Skuld.

Examples of extra insurance cover:
Here are two "extra" insurance products which are obtained more frequently than others, but there are many more.

Collision with another vessel (RDC)
If collision cover is taken out with Skuld P&I, then any contact claim with another vessel falls under the additional RDC (Running Down Clause) cover. Depending on the terms of the insurance contract which owners have with Skuld P&I, these may either cover 1/4 (25%) or 4/4 (100%) of a claim presented by another party against members. If the cover is 1/4 (25%) with P&I, then the other 3/4 (75%) is generally covered by the hull underwriters of the vessel. For details, please see Skuld's P&I rules.

Contact with a fixed or floating object (FFO)
If contact damage cover is taken out with Skuld P&I, then any contact with a fixed or floating object falls under the additional FFO (Fixed or Floating Objects) cover. Depending on the terms of the insurance contract which owners have with Skuld P&I, these may either cover



1/4 (25%) or 4/4 (100%) of a claim presented by another party against our members. If the cover is 1/4 (25%) with P&I, then the other 3/4 (75%) is generally paid for by the hull underwriters of the vessel. For details, please see Skuld's P&I rules.

Under FFO, Skuld covers contact damage caused by insured vessels.

Examples of contact damage with objects that are covered include: damage to berths, fenders, quays, locks, shore cranes, offshore windmills, oil platforms, coral reefs, fish farms, buoys, or underwater cables which can be torn by vessels dragging their anchor over an area where the underwater cables are laying on the surface of the seabed.

About H&M

What is H&M insurance cover?
Skuld offers hull and machinery (H&M) insurance to our members. H&M is a separate insurance product and not linked to P&I. However, in rare instances H&M cover can overlap with the P&I cover in place, such as in the above-mentioned contact scenarios (RDC and FFO).

H&M insurance protects shipowners against physical loss or damage to a vessel's hull, her machinery and everything connected thereto. This insurance cover is also quite different from P&I cover as it is in most cases not provided by just one insurance company (underwriter), but by several insurers, with each underwriter having committed to insuring only a certain percentage of the total insurable value. The shipowner will designate one H&M insurer as claims leader, usually the insurer which commits to the largest percentage. The claims leader is the one who has contact with the shipowner in case of a casualty, handles the insurance claim and keeps the other H&M underwriters ("the followers") informed and involved.

If a vessel suffers any damage to her hull and/or machinery or a machinery breakdown, the lead H&M underwriters or the H&M insurance broker (an intermediary often engaged to arrange the insurance between shipowner and insurer) must immediately be notified, and the H&M claims handlers will assist the shipowner in a similar fashion as P&I claims handlers do.

What is an H&M correspondent
H&M underwriters also have a worldwide network of correspondents. Often P&I correspondent companies are also listed by H&M underwriters as H&M correspondents, but in many instances H&M correspondents are claims consultants, specialised in providing hull claims management services.

How can an H&M correspondent help you?
An H&M correspondent assists in a similar way to P&I Club correspondents: depending on the actual circumstances an H&M correspondent can send additional resources, such as a hull surveyor, or help the vessel to find a commercial tug etc. On www.skuld.com/correspondents/, all our correspondents, whether H&M or P&I, are listed on the same country/port page.

What is an H&M claims handler?
H&M claims handlers working at Skuld handle H&M insurance claims submitted by the shipowners. The background of the colleagues varies; many of them have a seagoing or technical background or are average adjusters. The claims handlers are supported by our loss prevention department which advises on technical issues.

CHAPTER 02

Safety culture

The best way to prevent accidents of any kind is to have a strong safety culture, not only on board but on shore as well. The company's Safety Management System (SMS) should set the framework for such a safety culture. This culture should not only be included in guidelines and procedures, but should also be translated into practical steps to be rolled out by way of training the crew through regular exercises and drills on board.

SKULD'S EXPERIENCE

Skuld has seen many large and expensive cases over the years and in a lot of these cases safety shortcuts were taken by the crew on board which led to either loss of life, severe injuries, or damage to the vessel or her cargo, leading to expensive insurance claims.

Whilst we are aware that vessels are often under considerable time pressure and the crew is pushed to do their tasks on board quickly to avoid any delay of the vessel, there should never be any compromise on safety. Even when time is tight, the crew should never skip safety steps, as consequences may be fatal.

Examples of accidents caused by a disregard of necessary safety procedures can be found in the chapter dealing with "Personal injury" of this booklet.

How can you help

On shore

We recommend that safety is given the highest priority in your company's SMS for a vessel or a fleet.

Skuld's experience is that if strict safety procedures are in place on board and the crew is encouraged and trained by the shore management to prioritise these, when conducting their daily tasks, especially when under time pressure, then fewer accidents happen on board. A job done without taking the time needed to do the work safely may lead to severe injuries and death.

On board

Training

It is important to have procedures in place which make sure that any new crewmember is immediately, after signing on, brought up to speed in respect of safety procedures which must be followed by all crew on board.

A proper safety induction should be conducted and include a tour of the ship, including escape routes, muster stations and the location of firefighting and lifesaving equipment. It should be part of the training that any new crewmember is familiar with basic firefighting, first aid techniques, his or her muster station, as well as their responsibilities in the event of an emergency. It is important to have a system in place to keep the crew focused on the importance of safety. This can be taught by arranging regular drills and safety exercises, as well as training on the job to ensure that necessary permits to operate a system stay valid or are obtained before a specific job is carried out. The crew should also be taught to conduct a risk assessment themselves prior to undertaking a task to make them more aware of the risks, as this may encourage them to think more about safety.

Hold regular emergency drills and encourage all crew to take an active part. Vary the responsibilities of crew occasionally to maintain interest and prevent monotony. Challenge junior officers and ratings to step into more senior roles – in a real emergency they may be forced to do so.

Use different scenarios and occasionally add additional challenges such as restricting access to a fire locker, or assuming one lifeboat cannot be launched. This will not only help to maintain interest in the drill, but will prepare crew for real-life situations, where equipment is not available, because of damage or due to the location of a fire. Follow the International Convention for the Safety of Life at Sea (SOLAS) and your company's SMS closely with respect to drills to be conducted and safety protocols to be followed.

Incident reporting

The reporting of accidents is covered in detail later, but equally important is the reporting of near misses and unsafe acts. A near miss may turn into an accident next time, so all crew should be encouraged to report any near miss to the safety officer, who should record it and take steps to prevent the same incident from happening again.

Any crewmember who witnesses an unsafe act should immediately stop the work and report it to a senior officer, who should log it. Corrective or preventative action should be taken at the earliest opportunity.

Workplace safety

Your company's SMS will set out the requirements for the operation of a 'permit to work' system on board. A permit to work should always be completed whenever required, particularly for work with machinery or electrical components, work aloft and entry into enclosed spaces. Permits to work must be completed diligently and the requirements for additional checks throughout the period of work must be complied with, particularly when working aloft or in an enclosed space. If a permit expires, complete a new one before continuing or resuming work.

Risk assessments are an invaluable tool when used diligently. When risk assessments are necessary, they should be done prior to undertaking a task. Risk assessments should be reviewed at regular intervals or whenever there is a variation in working conditions, such as heavy seas or inclement weather. Any risk assessment will be useless if the officer completing it does not enter all the relevant facts and consider them carefully. Proper training in this respect should be given to any officer with responsibility for completing risk assessments. If conditions change during the duration of a job, or the permit expires, a new permit to work should be completed before work continues.

It is important to remember that a risk assessment does not simply involve completing the relevant paperwork. All crew should complete a 'mini' risk assessment before undertaking even the most basic tasks. Taking a short break to think about the job, whether the correct tools are on hand or whether there are any potential hazards in the vicinity, could prevent an accident, no matter how routine the task is.

Before commencing the working day, or a particular task, hold a 'toolbox talk'. We recommend calling all crew who will be involved with the work together, including the officer of the watch, where appropriate, and discussing the plan for completing the work. The crew should be encouraged to ask questions or raise concerns freely.

Personal protective equipment

Issue all crew with Personal Protective Equipment (PPE) appropriate for their duties. The crew should be trained on the proper use and care of PPE. We recommend conducting regular inspections of all PPE and replacing damaged equipment immediately.

No blame culture

All crew should be able to report accidents, near misses and unsafe acts without fear of reprisal. Senior officers should make clear the importance of reporting to everyone on board and ensure crew are aware that they will not be blamed or reprimanded for genuine accidents or near misses. A system that allows for the confidential reporting of near misses should be available to crew.

Safety committee

Elect a safety committee and hold regular and productive meetings. The safety representatives should be encouraged to ask crew if there is anything which should be included on the agenda. Frank and open discussion among all members of the committee should be encouraged and the safety representatives should provide feedback to crew.

Lead from the front
A culture of safety will only ever be as strong as you want it to be. All senior officers should be seen to drive the safety culture and lead by example. It is vital for the crew to embrace the safety culture; senior officers should be seen to be always putting safety first. This will help crew to understand that the focus on safety applies to their own personal safety, as well as to all on board.

CHAPTER 03

Cyber safety

Modern vessels are equipped with increasingly complex computer systems. Part of the cyber security safeguards of the company and its security culture should be cyber safety.

SKULD'S EXPERIENCE

Skuld's experience with cyber safety issues has so far been limited. However, what has been reported previously was the infection of individual ship's computers by a virus after an external USB-drive was inserted into a vessel's computer.

How can you help

On shore

The company's SMS should set the framework for protecting and maintaining the vessel's IT safety. This should be developed with the company's IT department. What should especially be prohibited is the connection of any external hard drive with any of the ship's computers. If the crew has company laptops the same security policy applying to the ship's computers should extend to their company laptops.

On board

We recommend that the crew is taught about cyber security safeguards and cyber safety. Also, as part of the security procedures, the crew should familiarise themselves with the company's cyber security safeguards and cyber safety to learn what they are allowed to do and what not.

At no time should any private computer of the crew be connected to any of the ship's computers or a company laptop.

CHAPTER 04

Smuggling

Ships are often seen by smugglers as an easy target and may be used to transport contraband such as drugs, tobacco, or weapons. All crew should be aware of the risks involved in carrying goods for other people on board their vessel and should never accept anything for unauthorised carriage on board.

It is documented that port operations in Central America, South America, and the Caribbean regions should be subject to rigorous precautionary measures and vigilance. Generally, larger ports are attractive transit points for smugglers because of the quick movement of products. Therefore, smuggling volume is roughly proportional with the size of the port. However, Colombia, Ecuador, Peru, Mexico, Brazil, and Venezuela are considered particularly high-risk countries for the transit of cocaine. Whereby the Western Caribbean Vector is a route of particular concern from Barranquilla, Colombia to Altamira, Mexico where cocaine has been seized in bulk carriers.

Contraband refers not only to illegal drugs but also tobacco, weapons or medications which need to be declared. The consequences of breaching smuggling laws are severe.

Smuggling cases are not covered by P&I or FD&D insurance which means that Skuld will not cover fines or expenses or legal costs for criminal proceedings or provide security in such cases.

SKULD'S EXPERIENCE

We have seen cases in which contraband was found on entered vessels by local authorities at a port of call. The vessels most often originated from South American ports. South America is a hub for the production of cocaine.

In cases in which drugs were found on board, either the crew was paid to stow drug parcels on board entered vessels, or external people (such as stevedores) stowed drugs on board with cargo loaded. Skuld has also seen cases, when vessels left some South American ports, where external compartments filled with drugs were welded to the hulls of vessels below the water line by underwater divers acting for drug cartels.

Potential implications for vessel owners, operators, and crew
When narcotics are discovered onboard, the consequences can rapidly escalate and become severe both for the vessel's owner and crew. There may be resulting delays due to ongoing investigations by the authorities, which may take time and lead to the loss of hire and consequential claims from cargo interests. The vessel may also be detained by the authorities, sometimes for an undefined period, with potential arrests and/or disembarkation of the crew for questioning and shore detention in prison if the crew is suspected to be complicit. A substantial fine may also be imposed and/or the vessel may be threatened with confiscation depending on the jurisdiction involved.

Vessel owners and operators are recommended to co-operate fully with any authority carrying out such investigation(s) irrespective of the jurisdiction.

In such cases the crew runs a real risk of not only facing criminal proceedings in the country where these drugs are discovered, but also imprisonment, whilst our members face expensive fines and in the worst case an entry ban for their fleet to ports of that country.

How can you help

On shore
Skuld recommends setting up a checklist for increased International Ship and Port Facility Security Code (ISPS) measures. Within the SMS the crew should go through which ports are at substantial risk of having a sophisticated smuggling operation. It is important that measures are put in place to have the crew preventing drugs being either stowed on board or attached to her hull. If the vessel is caught with drugs on board, she will face the full legal force of the country in which the drugs were found.

For the authorities it does not matter if the drugs were attached to the vessel without the crew being aware. Authorities could deem the vessel to be responsible to ensure no drugs are being stowed on board or attached to her hull below the water line. Members are advised to include in their SMS procedure suitable measures the crew can undertake to ensure that illegal drugs do not find their way on or attached to the vessel.

On board

When calling at ports within countries from which narcotics are known to originate, consider a divers' inspection of the hull before departure, to ensure there are no objects attached to the hull. If stowaways or suspicious objects are found, inform the agent immediately and instruct them to summon the police.

All crew should be aware of the risks involved in carrying goods for other people on board their vessel and should never accept anything for unauthorised carriage on board.

It is of utmost importance that our members implement strict ISPS procedures, as included in their Ship Security Plan (SSP), on board their vessels which must be followed by the crew. Any access points to the vessels must be closely guarded 24/7 thereby making sure that only authorised people are coming on board. It is also recommended to have a crew look-out in South American ports making sure that any diver approaching the vessel is spotted.

CHAPTER 05

Crew health

It is key that the crew of a ship is in good health. Good health generally consists of two parts: the health of the body (physical health) and the health of the mind (mental health). Good mental health is especially important in very demanding jobs such as working on board a vessel where seafarers also live for many months in a very confined space.

Physical health

When it comes to physical health, there are several things which are important, such as that a crew member signing on does not have any preconditions or prior sicknesses before coming on board. A solid medical check-up before going on board is necessary. During the time at sea, it is important that the crew receives a healthy diet, gets the opportunity to exercise on board and has sufficient sleep.

Mental health

The global COVID-19 pandemic showed how important good mental health is. A healthy body needs a healthy mind and the other way around. There are physical factors which can have a negative impact on mental health, such as an unhealthy diet, too little sleep, drug or alcohol abuse, or illnesses; but there are also other factors which have a harmful effect on mental health, including stress, worry, isolation, or bullying.

Drugs and alcohol

Many people suffering stress or other mental health issues try to numb the impact with drugs (illegal drugs as well as prescribed painkillers) or alcohol. It is important that the company's ISM procedure has clear rules about the use of alcohol on board, as well as a strict anti-drug policy. These rules must be clearly communicated to any crewmember before they sign on.

If a vessel allows for the consumption of alcohol by the crew during their off time, there should be procedures in place to monitor and prevent any overconsumption as that can increase the risk of accidents.

SKULD'S EXPERIENCE

It is Skuld's experience that a healthy crew is less likely to make mistakes which could lead to accidents or serious incidents. Life on board can be stressful as there are many tasks to complete within a certain amount of time as many vessels operate under time pressure. Only a healthy and strong crew can focus on their work ahead and stay alert. This will also improve safety on board as a more alert crew is less bound to lose focus and make mistakes or take shortcuts. If the focus of the member is to keep its crew healthy and content on board, the development of illnesses, especially mental illness, may subside.

How can you help

On shore

Members may take into considera-tion a few of the following measures which can contribute to a healthier life on board.

PEME

Skuld recommends a thorough medical check of any crew before signing on. Skuld offers a Pre-Employment Medical Examination Programme (PEME) for our members.

Providing a healthy diet

A healthy diet with plenty of vegetables and fruit, which can also be supplied to the vessel in a frozen form, can improve the overall physical health of the crew and lift the mood. It may prove helpful to have the cook attend classes on how to prepare healthy and tasty meals on board.

Sufficient sleep

Getting good and sufficient sleep is equally important to keep the crew healthy. Each crew member should get at least seven hours of uninterrupted sleep at the end of their work shift. Equipping the cabins with excellent quality beds, good insulation and blackout curtains can all contribute to improved sleep. It may prove beneficial to prioritise in the company's rules the need to have a well-rested crew and to encourage the crew to be quiet in the accommodation quarters to avoid disturbing sleeping colleagues.

Exercise on board

Another positive effect on crew health is providing the crew with an exercise area on board equipped with cardio and strength exercise equipment to help the crew to work

off any stress and stay fit for duty, physically and mentally.

Mental health and relaxation

To help the crew to mentally relax and unwind, it may be helpful to provide access either to online courses or DVDs about mental health, or meditation or Yoga exercises for relaxation.

Mental first aid

There may be instances where a seafarer is feeling distressed and may need someone to talk to. To have one of more crewmembers providing mental first aid to fellow seafarers may help a crewmember in need to feel better. Skuld can assist you with finding courses that teach how to provide mental first aid.

Skuld has a partnership with the Norwegian Training Center (NTC) in Manila who provide courses within the arena of mental health, including how to provide mental first aid. Please contact us for more information.

It may also help the crew if they are provided with details of a helpline, so they know that there is someone available they can talk to in case of need. The crew should be encouraged to look out for each other.

It is also important for any seafarer to have a confidant to whom they can turn for advice without being judged or fearing that anything they say could negatively affect their career path. To provide such a "safe space" for their crew is one of the most valuable things a shipowner can provide.

Team events
Arranging team events during off time may encourage a better atmosphere within the crew. Such events could be weekly BBQs or karaoke or movie nights. Such events may help the crew to bond irrespective of their rank, nationality or gender.

Internet access
Equipping the vessel with a stable 24/7 internet connection is also important as this allows the crew to always stay in contact with their loved ones at home irrespective of what time of the day their work shift ends.

On board

Medical check-up and vaccinations
We recommend getting a thorough medical check-up before signing on as well as all necessary vaccinations. If you need to take any medication, travel with the medical prescription for this medicine and inform the medical officer once signing-on, so that they are aware of what medication you need to take in the case of an emergency.

Focus on getting sufficient sleep
It is important that all the crew are getting the opportunity of regular and uninterrupted sleep which should be at least seven hours. Time spent on social media or streaming videos should be reduced well before bedtime so as to not interfere with the quality of sleep. Reduce the intake of caffeine or other stimulants well before bedtime, as this will also improve sleep quality.

Mentor system
It is helpful for the crew's morale if a mentor system is established where experienced crew teams up with new and less experienced crew. This may also be helpful for teambuilding.

Shared pastimes
To have team events, such as karaoke or barbecues, may also be helpful to build a good atmosphere within the team and help seafarers to feel less homesick. These could be weekly events the crew participates in.

Exercise
We encourage the crew to exercise on board. These might be strength exercises to help to prevent back injuries, or cardio exercises to let off steam, or relaxation exercises to deal with stress and anxiety.

Focus on your mental health
Whilst smartphones and tablets can provide us with entertainment and keep us connected with friends and family, it is equally important sometimes to take a break from the consumption of virtual content and instead try to practise being mindful about the moment. With mindfulness exercises the brain can take a break, which relaxes us and reduces worries.

Speak up if you need help
The bravest thing a seafarer can do is to reach out to their fellow seafarers if they feel on edge or in distress. Some crew may experience homesickness, others may feel burdened due to a family situation back home or a stressful situation on board. It is important that you reach out and ask for help.

CHAPTER 06

Human fatigue

Fatigue is a feeling of constant tiredness or weakness and can be physical, mental, or a combination of both; it is an extreme form of exhaustion. It can affect anyone, and most adults will experience fatigue at some point in their life. If a crewmember experiences fatigue, they feel tired to a degree that they fall asleep during working hours or feel sleepy to the extent that they cannot be alert any longer. This can have a direct impact on the safety of the vessel and the safety of the other crewmembers. Those without proper sleep are likely to make more mistakes and are more likely to be involved in accidents.

Proper rest and sleep are important to a person's physical and mental well-being and of great importance. This is particularly true for working on commercial vessels, where the crew is engaged in both physically and mentally demanding work. Also, the nature of the work puts the crew at times in dangerous situations while having to fulfil work rosters that are tight and demanding for all on board.

Over time, fatigue has a severe wearing effect on the human body which can lead to long-term physical and mental issues like paranoia.

SKULD'S EXPERIENCE

Human fatigue cases are exceedingly difficult for Skuld to measure as the claims handlers mostly learn about a fatigued seafarer in cases where the fatigue has either already resulted in a physical or mental illness or led to an accident. The main cause of fatigue is the lack of proper and enough sleep. Before the Covid-19 pandemic the focus was more on physical factors preventing a good and regular sleep by reducing noise on board, avoiding a high coffee consumption, an unhealthy diet, etc.; but during the pandemic it became clear that psychological and mental factors can cause the same degree of tiredness as physical ones.

How can you help

On shore

We recommend members make the prevention of fatigue and a burnout of their crew a priority in their company's SMS procedure. We suggest the following measures which can help to reduce the risk of crew getting fatigued:

Sufficient time for sleep and rest

We suggest setting systems in place that ensure that all crew are aware of the dangers of fatigue and that they use their rest periods to get enough sleep.

In line with the requirements for hours of work and rest as set out in the Maritime Labour Convention (MLC), we recommend making sure that watch-keepers can comply with the requirements for periods of rest, particularly during busy port rotations.

Cabin equipment
We recommend providing crew with a good sleep environment, such as installing blackout blinds in their cabins as well as replacing old mattresses and maintaining cabin temperature controls.

Encourage the co-operation of the crew
We recommend encouraging the crew to:

- Develop and maintain good sleep habits, such as a pre-sleep routine (something that they then always do to get ready to sleep).
- Reduce their screen time before bed and to shut off their mobile devices during resting hours to allow for uninterrupted sleep.
- Move quietly around in the accommodation quarters and be mindful as there may be other colleagues trying to sleep.

On board

To the crew, we recommend:

- To schedule at least seven hours of uninterrupted sleep each night/ day (depending on your shift).
- To maintain a fixed bedtime in line with your shift.
- To establish a bedtime routine to wind down after a busy workday (e.g., taking a shower, meditating, exercising, talking to colleagues, whatever helps you to calm down).
- To avoid caffeine and other stimulants as well as bright screens before sleeping.
- If you have trouble falling asleep or sleeping for a longer period, not to self-medicate but to ask for help and talk to the medical officer or your superior.
- To watch out for signs of fatigue among your colleagues.
- If you believe a fellow crewmember is suffering from a high degree of fatigue, you should alert the medical officer or the captain.

To the captain, we recommend:

- If you observe chronic fatigue among your crew, you should immediately alert your Designated Person Ashore (DPA).
- If you believe a fellow crewmember is suffering from a high degree of fatigue, you should, with the support of your DPA, endeavour to relieve the fatigued crew of their duties as soon as possible.
- Chronic fatigue may be relieved by changing watch routines or delegating some of the duties of the fatigued crewmember to another crewmember provided they are not already overburdened. The assessment should be done with your DPA.
- A crewmember that is or may be suffering from fatigue should avoid sitting down while on watch and try to keep active. This may not always be possible, particularly if the crewmember is engaged in the navigation of the vessel.
- Coffee or energy drinks may provide short-term relief from the effects of fatigue but should not be relied upon to keep a person alert or awake.

This can, however, only be a short-term solution as the fatigued crew should be relieved as soon as possible and not be alone during watchkeeping.

CHAPTER 07

People claims

Skuld sees a variety of different people claims in connection with the operations of the entered vessels. Most of these claims are either personal injury claims or illness claims. Injuries can happen with crew or passengers, but also with people not carried on board such as service providers boarding the vessel; for example, pilots, local agents, surveyors, supercargoes, and stevedores.

Illness cases

It is essential for the safe operation of a vessel that the crew of a ship is in good health. Good health consists of two parts: the health of the body (physical health) and the health of the mind (mental health). Whilst it is not uncommon that crewmembers get sick during the many months they serve on board, given that their job on board is demanding, there are some preventative steps that can be undertaken to maintain good overall health and reduce the risk of getting sick. In this regard, please refer to the section above about crew health.

SKULD'S EXPERIENCE

Only a healthy and strong crew can focus on their work ahead and stay alert. When looking at the claims' statistics of the past few years, both physical and mental illness cases show up.

Physical health

We noted that seafarers can suffer under a variety of physical conditions. Some are infections, some illnesses are connected to the physical demands of a life at sea with the musculoskeletal system being affected, and some are so-called lifestyle diseases.

Infections

The infections we see can vary from classical food poisoning to infections of the urinary tract, tuberculosis, malaria, yellow fever, and a few cases of HIV/Aids. The most common illness caused by an infection is appendicitis.

Illness of musculoskeletal system (e.g., back pain)

Whilst the number of infectious diseases is low in comparison with the overall number of illness cases we recorded, the number of illnesses of the musculoskeletal system is higher. These illnesses are usually back pain or hernias. Both are often a result of heavy lifting and the physical work that needs to be carried out on board by the crew.

Lifestyle diseases

The term "lifestyle disease" can often be misunderstood in a way that the illness was caused by a "bad" lifestyle of the seafarer, but this is not true. The term "lifestyle disease" refers to illnesses which are a result of the modern way of life and in particular the Western diet. A diet which is based on a high consumption of meats, but low in fibres and vegetables. Most of the time the content of salt as well as sugar and unhealthy fats is high in such a diet. A high consumption of salt and bad fats can lead to hypertension, heart disease or even a stroke. All the beforementioned illnesses, especially heart disease as well as gastro-intestinal disease are health conditions Skuld sees more of in the crew cases being handled.

Mental health

The global COVID-19 pandemic showed how important good mental health is. There are physical factors which can have a negative impact on mental health, like an unhealthy diet, too little sleep, drug or alcohol abuse, or illnesses; but there are also other factors which can have a damaging effect on mental health, such as lack of sleep, stress, worries, isolation, or bullying.

How can you help

On shore

Members may take the following measures into consideration which can assist the vessel in helping sick crew on board.

Providing medical training and equipment

Have at least one medical officer on board of each vessel who will regularly participate in medical training courses to refresh their skills in providing first aid and basic medical assistance.

Furnish the vessel with sufficient medication and medical equipment.

We also recommend having at least one crewmember being trained in applying mental first aid. Skuld can advise on suitable course providers.

Telemedical service

Equip each vessel with the contact details of a telemedical service the vessel can contact in case a fellow crewmember gets sick or is injured.

There are several high-quality telemedical services available who have medics on the other end of the telephone and who provide this service free of charge. The early involvement of a telemedical service can save lives. Skuld can guide you if you need contact details.

On board

If you get sick

We recommend that you seek help and contact the medical officer on board. If you are taking or have taken any medication or have a pre-existing condition, advise the medical officer of it to allow them to evaluate potential interactions with other medication. Be forthcoming with the medical officer and try to describe your symptoms with as much detail as possible. Do not self-medicate without the prior input from either the medical officer or a doctor from a telemedical service. Inform the medical officer immediately, and do not wait too long before any symptoms get worse.

If you feel unwell to a degree that you cannot work, inform the captain or your superior. In case you are severely sick, the captain can contact the shore office and arrange for your transfer to a hospital on shore.

If a colleague gets sick

We recommend that you immediately make sure that the colleague is stable enough before you seek help from the medical officer. Make sure that that the colleague talks to the medical officer and does not self-medicate.

CHAPTER 08

Personal injury

Unfortunately, accidents happen on board. Any person injured on your ship - crew, stevedores, pilots, or passengers, for example – may claim that the injury only happened because the conditions on board your ship were unsafe. The injured person may seek compensation from the vessel's owners, which could result in costly pay-outs.

SKULD'S EXPERIENCE

Skuld has seen a wide variety of cases over the years. There are certain kinds of accidents we see on a recurring basis, most of which can be prevented if good safety procedures are in place and always followed by the crew as well as imposed on any third party coming on board, such as stevedores, etc.

Examples of accidents which we have seen repeatedly over the years:

Enclosed spaces
Seafarers or stevedores entering a tank or cargo hold without wearing the necessary breathing equipment or protection gear as instructed by the vessel's safety procedures, and then being killed by gas poisoning or lack of oxygen.

Mooring accidents
Accidents during mooring operations, such as a crewmember breaking both legs when jumping from the vessel to the quay during a self-mooring operation, or a crewmember being killed by a mooring line.

Injury or death during rescue
Seafarers falling into enclosed spaces and fellow crewmembers trying to rescue the injured person without taking necessary safety measures. Such dangerous behaviour then either leads to injury, disability or death of the crewmember who is trying to rescue the seafarer in distress.

Lifeboat drills
Accidents during lifeboat drills, including fingers or limbs being squeezed and amputated by lines or wires; or passengers boarding a lifeboat when it is already launching leading to severe injuries; or head injuries caused by crew not wearing a helmet and the consequences when the head was caught between a lifeboat and the vessel.

Burn injuries
Seafarers suffering burn injuries of various kinds: The Material Safety Data Sheet (MSDS) not being checked properly before sending the crew into a cargo tank for cleaning. Crew not wearing the correct PPE which led to burn injuries of unprotected crew; or third degree burns when cleaning out hot slush in the engine room; or chemical burns to the eye which led to loss of vision; or burns by hot water.

Ignoring safety procedures
Disregarding safety procedures combined with a lack of concentration can lead to severe accidents: a crewmember looked down into a cargo hold from the middle edge of the hatch coaming whilst at the same time the cargo grab was lowering to the cargo hold. The crew's head got stuck between the hatch coaming and the grab which led to the immediate death of the seafarer.

How can you help

On shore

Many of the above-mentioned examples of cases could have been prevented. If the company's SMS procedures prioritise safety on board with clear and strict safety procedures in place, that are also rolled out in practice to all the crew with regular exercises, many of the above-mentioned scenarios can be avoided. The crew will however, only focus on always applying the necessary safety precautions if it is given a high priority by the company – who must train their crew accordingly and make sure that safety is the second nature of everyone working on their vessel.

On board

Keep it ship shape

Always make sure that gangways, companionways, access ladders and all areas accessible to crew, pilots, stevedores, or visitors, are well lit and free of obstructions. Especially lashing equipment like chains, cables and ropes should be properly stowed when not in use.

Any oil or other spillages should be cleaned up immediately. All places of work, including the accommodation and food preparation areas, should always be kept clean and good housekeeping practices among all crew should be promoted.

Signage

The location of all safety equipment on board should be highlighted with appropriate signage. Emergency exit signage should be kept clear of obstructions and properly maintained. Steps, fishplates and raised door sills, such as those found on weather-tight doors, should be clearly marked by applying brightly-coloured paint or tiger tape.

Appropriate instructions should be posted next to hatch covers, cranes, lifeboat davits and other equipment which poses a significant risk to crew. When ongoing work can give rise to a hazardous situation, such as removing guard rails, access hatches, or when working with electrical equipment, or working aloft, ensure that appropriate warning signs are posted and clearly visible.

Training

We recommend making sure that all crew are professionally trained in using any equipment they are required to operate. Refresher training sessions should be carried out regularly and formal records of all training should be maintained on board.

If your vessel has hydraulically operated water-tight doors, all crew should receive appropriate training in the dangers associated with the use of such doors. Instructions for operating these doors should be clearly posted at the door and clear procedures should be documented, outlining which crewmembers are permitted to operate the doors.

Give medical help

If an accident does happen, make sure that the injured person immediately receives the proper medical attention. Involve the medical officer.

If you are in doubt as to the severity of an injury, do not hesitate to contact a telemedical service to seek guidance from a doctor or contact shore-side medical support if the vessel is in port.

Where there is any possibility of a concussion, hypothermia, or internal bleeding, monitor the patient closely for at least 24 hours and always seek shore-side support. Burn and other heat-related injuries require particularly delicate care. Seek immediate shore-side support to ensure the casualty is dealt with appropriately.

CHAPTER 09

Investigating and reporting incidents

Any accident happening on board a vessel or involving a member of the crew should be investigated. The degree of the investigation required will depend on the severity of the accident, but the basics for investigation and reporting remain the same.

In the case of marine incidents, such as grounding or collision, or damage to, or loss of cargo, Skuld may elect a surveyor or other experts to attend the vessel to investigate the incident fully. Whether the investigation is to be carried out by a member of the crew or a third party, it is important to take early steps to defend any claim against the vessel.

How can you help

On shore

We recommend including in the company's SMS procedure a checklist for the crew on which steps they should undertake to provide for a thorough investigation of an incident.

On board

Preserve the scene

We recommend that any work being carried out in the area in which an accident has occurred is immediately stopped. As soon as possible, the scene should be inspected and anything that may have contributed to the accident, such as defective equipment, trip hazards, etc. is to be photographed. It is also important to take pictures of any measures that have been put in place to prevent such accidents, such as guard rails, signage, etc.

If the cause of an accident is identified, it is important then to put necessary steps in place to prevent a reoccurrence of that kind of accident. Every effort should be made to make sure that accident investigations do not have a negative impact on the commercial operation of the vessel. However, safety must always take priority.

Take statements
We recommend that detailed statements from injured parties and any witnesses are taken, after having checked with Skuld. It is important to let the witnesses and injured parties formulate their own thoughts and not to try to influence their memory of the incident.

In the case of more serious accidents, it may also be necessary to take statements from senior officers with responsibility for the area of the vessel in which the accident occurred. If the accident happened on the quay, or in a dockyard, we recommend trying to take statements from non-crew-members who may have witnessed the incident. This may not always be possible, but the local agent may be able to assist, if required.

The names and contact details of individuals in their statements should be included, so they may be contacted later, if required.

Before taking the statement of an injured crewmember or witness, always try to set them at ease and reassure them that the purpose of your investigation is to establish the facts, and not to apportion blame.

Empathy is especially important when dealing with a fellow seafarer who may be in fear of losing their job because of an accident.

Preserve records
Maintenance records of any equipment involved should be copied and attached to the investigation report. Any relevant logbook entries, particularly those

related to weather and sea conditions at the time of the accident or incident, should also be appended to the report.

In the event of damage to cargo, details of cargo securing, loading/ stowage plans, ventilation records and any other relevant documentation should be copied and preserved.

Take photographs
Whether the incident involves personal injury or damage to the vessel, a fixed installation or cargo, we recommend always taking enough photographs of the scene, any damage, likely contributing factors, and anything that may have prevented a more serious loss.

Write a report
We recommend always following any instructions for accident or incident reporting provided in your company's safety manuals and to use any templates provided.

Any report should be clear, accurate and to the point. However, all the relevant facts should be included. It is always better for a report to contain too much detail than too little.

You should never make assumptions about the cause of an incident, only report the facts. Keep the report clear and concise, do not add opinions.

CHAPTER 10

Stowaways

Stowaways are a problem in many areas of the world and often a safety concern for the vessel. They often hide in remote areas on board in the hope of travelling with the vessel to a country where they wish to have a better life.

Skuld will help the shipowner to disembark the stowaway(s).

Depending on where the ship is, this may take time and can potentially delay the vessel in her trading schedule. Countries are not obliged to receive stowaways, unless the stowaways are citizens of their country, or if it can be proven that they boarded the vessel at a port in the country where they have been discovered.

SKULD'S EXPERIENCE

In most cases that Skuld is notified of, stowaways have destroyed or thrown away any official documents of authentication, such as a government-issued ID-card or a passport, before they stow away on board. Without such official documents, it is difficult for the crew to find out what nationality the stowaway has. To establish the identity and nationality of the stowaway, Skuld has questionnaires in various languages for the stowaway to fill in. This questionnaire can help the crew and Skuld to learn more about the stowaway. Please contact Skuld if you wish to receive a copy of the questionnaire.

If it comes to safely disembarking stowaways, Skuld has learned that not every case is the same; it is easier to land a stowaway in some countries than in others.

In general, it is easiest to disembark a stowaway in a country in which they are either a citizen, or the country in which they came on board the vessel. This is why it is so important that the crew carries out a thorough search on board every time before their vessel leaves a port. If a stowaway is found before the vessel sails, a quick disembarkation of the stowaway and handover to local authorities can be arranged, provided the vessel can show that the stowaway came on board in this country. To disembark a stowaway still in the country of embarkation will save Skuld and the shipowner a lot of time.

Once the stowaway comes off the vessel and is handed over to local authorities of a country which is not theirs, the local embassy of their home country will be contacted to issue travel documents, so that they can be put on an airplane taking them back to their home country. In some cases, Skuld will employ private guards to make sure that the stowaway arrives safely in their home country.

The crew and our members can actively help to reduce the possibility of stowaways making it on board their vessel by putting some risk reducing steps in place and to follow them at every port call.

How can you help

On shore

The SSP provides guidance to the crew on not only how to prevent access of unwanted visitors to the vessel, but also how to properly treat stowaways in case they successfully made it on board.

Proper treatment of stowaways

If stowaways are discovered after a vessel has left port, and a deviation back to her last port of call to disembark the stowaways is not possible, the focus must be on treating the stowaway humanely. Stowaways should be searched by the crew for any form of identification and for objects with which they can self-harm. These objects should be collected by the crew and only returned upon the disembarkation of the stowaway. The stowaways should be taken to a secure area and provided with adequate food, sufficient water, and accommodation. If there is more than one stowaway, they should,

where possible, be separated and secured in different cabins. The crew should regularly check on the stowaways to make sure that they do not harm themselves.

Stowaways should not be permitted to work on the vessel and should be prevented from associating with the crew. By striking up a friendship, or playing on the sympathies of crew members, stowaways may manipulate them. It should be borne in mind that stowaways may face prosecution and other consequences if returned to their home countries. If this fact becomes apparent to them, they may become violent towards crew, or may attempt self-harm. When conducting initial interviews to learn more about their citizenship, an effort should be made to establish their reasons for stowing away and take note of the severity of their reaction, should they come to realise they are being returned.

On board

There are many ways the crew can help. The best way is to prevent stowaways from coming on board. There are several preventive steps the crew can undertake.

Control access to the vessel

If it comes to protecting the vessel from unauthorised access, it is important that the crew follows the SSP in respect of controlling the access to their vessel.

At least one competent member of the crew should always man access points. Where manning levels demand, a reputable shore-side security contractor may be employed to man the gangway.

However, the employment of shore-side contractors does not relieve the vessel's crew of their obligation to prevent unauthorised access and steps should be taken to verify and monitor the trustworthiness of security contractors. Nobody should be permitted on board without the authority of the master or officer on watch.

All persons wishing to gain access to the vessel must produce ID and the names of all visitors should be recorded, so that they may be 'checked off' the vessel when they leave. On vessels where large numbers of stevedores are required for cargo operations, such as container ships, consider employing a pass exchange system, whereby stevedores' own ID cards are exchanged for a ship's pass when they board, and handed back to them when they return their ship's pass before disembarking. This will not only assist in tracking the number of people on board in the event of emergency, but will also help to verify whether all stevedores have disembarked the vessel.

All ship's crew should be vigilant of suspicious activity, in particular people trying to gain access to controlled areas of the vessel. Small boats operating near the vessel may be used to gain access or attach contraband to the hull. Movements of such craft should be monitored, and local authorities should be informed if their presence is cause for concern. When the vessel is at anchor, particularly in ports deemed to be high-risk, a good lookout over the side of the vessel should be maintained, using spotlights during the hours of darkness. The anchor wash systems operating should be kept running for the duration of the vessel's stay at anchor, to prevent persons climbing up the anchor cable.

Control access within the vessel

Even those with a valid reason to board the vessel may wish to stow away. Once they are on board the vessel, do not make it easy for them to remain on board undetected. We recommend controlling access to the ship's accommodation by locking all external doors, using only one for access by crew.

A security inspection should be conducted prior to arrival in port, checking that all deck lockers, hold, and machinery space access points, are securely locked.

If possible, access to the mooring decks should be restricted, where potential stowaways may gain access by scaling mooring ropes.

Lifeboats and lifejacket lockers on deck should also be secured. Stevedores coming on board should only be allowed access to cargo holds when required. Hatches to cargo holds to which stevedores do not require access, should not be opened.

Search the ship before leaving port
Before leaving port, Skuld recommends a systematic search of the whole ship. An efficient and thorough security inspection prior to the vessel's arrival will reduce the time required to search the vessel before departure, by limiting the number of places where a potential stowaway may hide.

A comprehensive search of all areas to which shoreside personnel had access should be carried out to ensure that spaces which were secured before arrival remain locked. If stowaways or suspicious objects are found, the local agent should be informed immediately and instructed to summon the police. Stowaways should be handed over to the local authorities before the vessel sails.

Inform the local agent once a stowaway is discovered
If stowaways are discovered at sea, the vessel's managers should be informed. If the vessel returns to the port where a stowaway embarked, every effort should be made to land them there. To make it easier to hand them over to the authorities, you should send an email to the local agent or the port authorities, informing them that you have discovered a stowaway on board after the ship left that port.

The message should state that the stowaways will be delivered to the port authorities when the ship returns, together with the vessel's ETA. It is important that this message is sent before the ship calls at another port.

Skuld, if informed about stowaways at an early stage, will try to assist in obtaining permission to return them to their own country. However, it should be borne in mind that this may take some time and that stowaways may be forced to remain on board the vessel for weeks, or even months, before they can be returned. The best advice is to prevent stowaways from boarding the vessel in the first place.

Conduct a follow-up search
After a few days, stowaways should be removed from their quarters and searched for ID papers. Their quarters should also be thoroughly searched for any hidden documents.

CHAPTER 11

Rescue at sea

SKULD'S EXPERIENCE

Over the years, many of our members' vessels have been contacted by the Maritime Rescue Co-ordination Centre (MRCC) of a country being responsible for the area in which the vessel is sailing to assist with a sea rescue operation.

The parties which need to be rescued vary. It can be sailors in distress, whose yacht is damaged and cannot be manoeuvred any longer; it can be seafarers who had to abandon their commercial vessel and are in a lifeboat; or it can be refugees in the Mediterranean or somewhere else in the world sitting in a sinking lifeboat. Any vessel is, as per international law and regulations (SOLAR, SAR and UNCLOS), obliged to assist in such sea rescue operations. These rescue missions are usually directed and coordinated by the responsible local MRCC. Skuld expects its membership to participate in these rescue missions when being called upon by the MRCC.

Skuld fully supports their members partaking in rescue missions thereby following orders of the responsible MRCC. If a vessel must deviate to rescue people as directed by the MRCC, that deviation does not have any impact on the vessel's P&I cover.

How can you help

On shore

How the ship should behave in cases in which a MRCC seeks her assistance to participate in a rescue mission should be included in the company's SMS procedure. Also, the proper treatment of rescued parties should be included as well. Any rescued parties should be treated with respect and be taken good care of. This includes assisting with applying first aid where necessary and providing the people with necessities like water, food, and accommodation where possible.

Skuld also recommends that we should be contacted immediately to assist the members in getting the rescued parties safely disembarked at the earliest convenience.

On board

Immediately contact the vessel's manager and notify Skuld to enable us to help you. Rescued seafarers, sailors or refugees are under the law in most countries treated as stowaways, so landing rescued parties can, depending on where the vessel plans to land the people, be a little challenging. However, in the past Skuld has, with the help of its correspondents' network, been able to assist our members to arrange for a swift and safe disembarkation of the rescued parties.

CHAPTER 12

Cargo claims

Cargo claims are among the claims with the highest frequency within Skuld. There are large numbers of recurring cargo claims scenarios we see which could be prevented. This chapter will be divided in cargo damage claims and cargo shortage claims.

Damage to cargo

SKULD'S EXPERIENCE

There are a few steps shipowners can undertake to reduce the risk of cargo being damaged during the process of loading, during the sea voyage, and during discharge operations.

The various measures to prevent cargo damage as well as loss of cargo depend on what kind of cargo a vessel carries or what kind of carrier a vessel is.

Bulk carriers

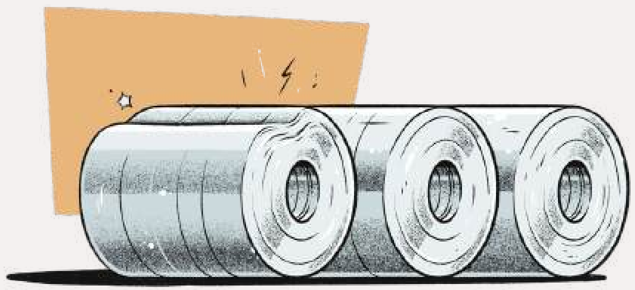
Bulk carriers or bulkers can carry a wide variety of food stuff like grain or sugar in bulk or packaged in bags, but also coal, ore, various kinds of steel cargo, and minerals.

Bulk cargo can be very dense, corrosive, or abrasive. This can present safety problems that can threaten a ship, such as cargo liquefaction, shifting, spontaneous combustion, and cargo saturation. The use of old ships that have corrosion problems leads to a higher frequency of cargo claims, e.g., leaking hatch covers. Skuld can provide you with suitable loss prevention steps. Please contact Skuld for guidance.

Ore cargoes carried in bulk
For certain ore cargoes it is mandatory to notify Skuld and to have a cargo surveyor attending. In general Skuld recommends its members to always have a surveyor present during the l oading operations of ore in bulk where a liquefaction risk is present as per the ISMBC Code. An experienced surveyor can assist the master on site to avoid loading cargo which is too wet and may cause stability issues later when the vessel is at sea.

Foodstuff
This can be rice, sugar, grains, or corn in bulk or bagged. Some food cargoes are prone to be infected by pests and need to be fumigated before the vessel departs her load port. Skuld can assist in providing technical advice to avoid cargo damage through fumigation. Skuld's loss prevention department can also provide guidance on proper ventilation and protection of the cargo from wet damage during the sea voyage.

Steel cargo
We have seen many cargo claims in which high value steel cargo was damaged during the sea voyage. Such cargo damage can



either be caused by water ingress or by cargo shifting. In many cases, mechanical damage was caused to cold rolled steel coils which shifted. If a pre-loading survey is carried out for steel cargo and any pre-shipment damage is recorded in the mate's receipts and subsequently in the bills of lading, we see fewer cargo claims.

Plywood

Plywood is another kind of cargo which can be severely damaged if it shifts during the sea voyage. Also, for this kind of cargo we would recommend a pre-loading survey with a particular focus on the quality of the securing of the cargo within the cargo holds.

Fertilizer

Fertilizers of various kinds can be shipped either in bulk or in bags. This cargo also needs to be protected from water damage during the sea voyage, but some kinds of non-organic fertilizers also require that there be no potential heat source within the cargo holds. Our loss prevention department can guide you in more detail.

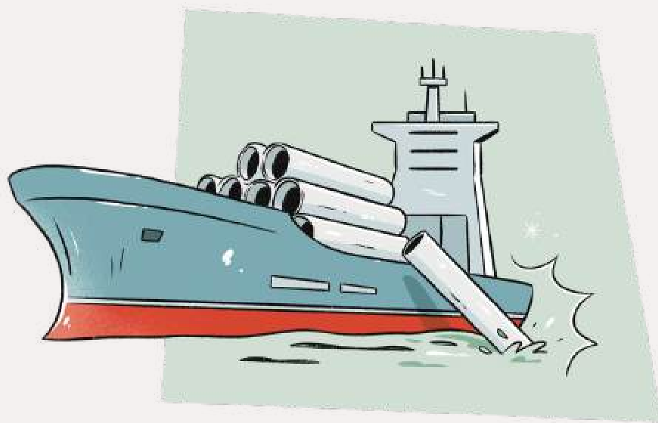
Multipurpose or project cargo vessels

The main risk Skuld has seen when it comes to multipurpose vessels is shifting of cargo. Multipurpose vessels come with a variety of risks, depending on what they carry. Some vessels carry different cargoes in various cargo holds and sometimes within the same cargo hold only being separated between decks. The risk in such cases is that the cargo transported shifts and mixes with other cargo.

The other kind of cargo damage which Skuld sees is wet damage caused by either water ingress through leaking hatch covers, or water in the cargo holds entering via the bilge system. Skuld's loss prevention department can advise you further on how to minimise the risk of wet damage.

Project cargo

Some multipurpose vessels carry project cargo such as windmill parts, heat transformers, large machinery parts etc. This kind of cargo is usually very bulky, heavy, and not easy to lash well. Also, project cargo is usually quite expensive, so if that cargo is damaged, a cargo claim will be expensive. The main project cargo damage cases we see are physical damage to the cargo if the lashings do not hold up and the cargo shifts or moves around in the cargo hold. The danger in such cases is that because the cargo pieces are heavy, it will have an influence on the stability of the vessel if the cargo lashing breaks and the cargo pieces roll around freely in the cargo hold.



Skuld recommends having a pre-loading and lashing survey to be done at the port of loading, ideally with the involvement of a lashing master or supercargo.

Container vessels

With the containers stowed under deck, we record mainly cargo damage cases caused by water. This can be water entering the cargo hold via the hatch covers or water entering the cargo holds via the bilge system.

If it comes to containers stowed above deck, we see more cases of collapsed containers which, in many cases, is caused by insufficient lashing, which then provides for a poor stability of the container stack. The cargo lashings should regularly be checked and tightened during the sea voyage, weather permitting. Skuld can advise you on additional loss prevention steps.

Reefer vessels

The damage we see with reefer cargo is mainly caused by either incorrect temperature settings, or the failure of an electrical unit supposed to keep the cooling systems running at a consistent temperature. The problem with either situation is that in most of these cases either the whole cargo hold or the whole reefer container contains damaged cargo which has become unsuitable for human consumption and has barely any salvage value. In such cases a thorough investigation of the root cause helps to find out if an electrical unit on board was malfunctioning. If that is the case, repairs can be affected to prevent a similar incident in the future.

Oil, chemical and gas tankers

The cargo damage cases for liquid cargo are mainly some form of contamination scenario. The contamination can either stem from the terminal which is loading the vessel (contamination of the shorelines or manifolds) or unclean tanks. The latter scenario is often common if a vessel switches from one kind of cargo to another and the necessary tank cleaning operations are not done as thoroughly as needed. Our loss prevention department can advise you on the proper tank cleaning steps.

How can you help

On shore

We recommend that you include loss prevention steps in the company's SMS procedure to reduce the risk of cargo damage, which is tailored to the cargo typically carried on board your vessels. Having a copy and being familiar with the vessel's cargo securing manual on the shore side as well, is just one risk reducing factor. Loss prevention steps should be points which are easy to follow by the crew on board. A few suggestions are listed below.

On board

If the cargo loaded is damaged
We recommend that the cargo is inspected when it comes on board, if possible beforehand. Any defects you may find must be recorded and included in the mate's receipts. The shipper and charterers should be notified that that you intend to alter the bill of lading (B/L) to reflect your observations and the true cargo condition. An important function of the B/L is to describe the true condition and quantity of the cargo as received on board. If the cargo is discharged in a different condition, or of a lesser quantity, than whatever cargo description was entered on the B/L, the shipowner may be held liable for the damage or shortfall. Alternatively, you can reject the cargo to have it replaced by cargo which is not damaged.

No signing of Letters of Indemnity without contacting Skuld
Never give the authority to sign a clean B/L in exchange for a letter of indemnity or "back letter". There may be situations in which the cargo comes on board already showing pre-shipment damage and the shippers or charterers push the master or the vessel's owners not to record the pre-shipment damage in the mate's receipts and B/L, but instead authorise the signing of clean B/Ls despite the pre-shipment damage to the cargo. If the owners or the master authorise the issuance of clean B/Ls in such cases and the vessel receives a cargo damage claim at the port of discharge, owners will be without P&I cover for these cargo damage claims as the B/Ls did not reflect the true condition of the cargo as it was when it came on board. To bridge this gap in the insurance cover, shippers or charterers may offer the master or the owners a Letter of Indemnity (LOI). This is a document with which shippers or charterers will indemnify (compensate) the shipowner for the cargo damage claims presented against the vessel in her port of discharge which were not recorded in the B/Ls and for which owners lost P&I cover.

So, signing such LOIs may be fraudulent and can prejudice the vessel's P&I insurance cover. Also, in many jurisdictions LOIs cannot be legally enforced. The cost of any claims that arise out of such actions will have to be borne by the shipowner and are likely to be high. This is why Skuld recommends to its membership to always contact Skuld and seek guidance whenever they are being asked to authorise the issuance of clean B/Ls against receiving an LOI.

Preparation for loading
It is recommended that cargo holds or tanks should be prepared for loading as early as possible, to avoid costly delays at the load port. Cleaning should be carried out in accordance with industry standards, your company's safety regulations and charterers' or shippers' specific requirements. Although time may be a factor, the safety of the vessel and her crew should be paramount in any cleaning operation, and this should never be sacrificed just to gain some time. Remember, injury to a crew member or damage to the vessel may be far more costly than a delay. Be alert, especially about any entry into enclosed spaces, or areas which may be deprived of oxygen or have a build-up of noxious gases and vapours.

Put it in writing
In time charters applicable to dry cargo vessels, the responsibility for loading, stowage, trimming and discharging operations is sometimes transferred from the shipowner to the charterers. However, the shipowner and the crew of the vessel maintain a degree of responsibility for ensuring the cargo is loaded, stowed, and secured properly and safely.

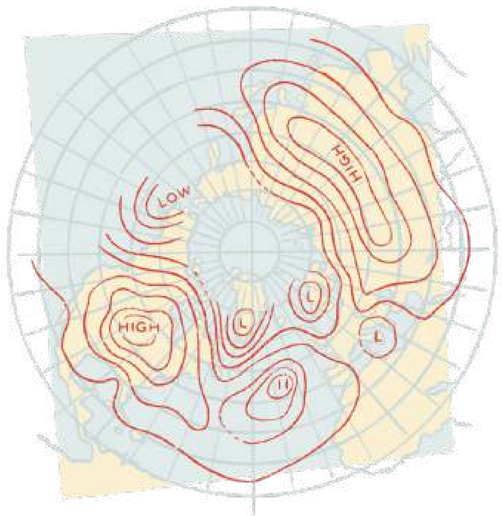
If a member of the ship's crew is concerned about the stowage or handling of the cargo by the charterers or their supercargo, this should be brought to their immediate attention and the reasons should be recorded in detail.

Any remarks made should be sent to the vessel's owners, together with pictures where appropriate. If the issue cannot be resolved amicably without delay, Skuld's local correspondent should be notified of the situation. If your concerns are for the immediate safety of the cargo or personnel, you should raise them with the charterers' representative **immediately** and operations should be suspended, if deemed necessary.

Care of the cargo
The shipowner has an obligation to properly care for the cargo while it is on board the ship. The master should ensure that all crew with responsibility for the care of cargo are familiar with the requirements for the safe loading, stowage, and carriage of any cargo to be loaded, including (but not limited to) ventilation, temperature and moisture control, visual inspections, including securing arrangements.

We recommend that the procedures for the care and monitoring of all cargo should be clearly documented by a senior officer. These procedures should include details of logs to be kept on the passage, including the frequency with which entries should be made. In addition to routine entries, extraordinary inspections should also be recorded, particularly inspections of the cargo prior to or after encountering heavy weather. Such inspections should also be recorded in the deck logbook. Any specific requirements of the charterer should be highlighted.

When heavy weather is expected, carry out a thorough inspection of the cargo and lashing arrangements. In such situations it is recommen-ded that the crew ensures that all lashings are properly fitted and fully secure. Where needed or appropriate, additional lashings should be considered. Carry out a further inspection once the weather



permits, take note, photograph any damage, and replace lashings as appropriate.

Weather reports
In case of heavy weather, we recommend that you keep a copy of any meteorological reports, or warnings, and properly record the conditions in the ship's log. This particularly applies to adverse sea conditions that may cause damage to the goods on board. Familiarise yourself with the performance warranties contained in the vessel's charterparty. Ensure weather and sea conditions are recorded regularly and increase the frequency of recording if conditions exceed those stipulated within the charterparty.

Sea protest
In the event of damage to cargo during heavy weather, we recommend that you lodge a sea protest and make sure a log extract, showing relevant entries, is attached to the sea protest.

A sea protest is a document which should be addressed "To Whom It May Concern" issued on the stationary of the vessel immediately after the vessel has experienced heavy weather which led to cargo shifting or other forms of cargo damage. This document should contain a description of the heavy weather experienced, including wind forces on the Beaufort scale, height of swell, description of the vessel's movements during heavy weather (heave, surge, rolling), the geographical area where the weather was experienced and for how long, etc. The document should be dated and signed by the master. Skuld can assist you if you need help with that.

A sea protest can, in some countries, be a useful legal defence for a cargo claim being presented to the owners; this always depends on the contractual port of discharge. There are a few countries however, which need a sea protest being notarised at the vessel's first port call after the heavy weather incident, or else the sea protest will not be recognised. Skuld can advise you if a notarisation of the sea protest is necessary for your specific port of discharge and Skuld will also assist you with getting an appointment for the master at a local Notary Public to get the sea protest notarised.

However, only if Skuld is informed about the heavy weather incident immediately after it happened, will Skuld have sufficient time to arrange for a notarisation of a sea protest which should be done in the first port of call right after the heavy weather incident.

Also, notify the vessel's managers and request the attendance of a surveyor. Co-operate as much as possible with the surveyor appointed on behalf of the owners at the destination. The master or suitable deputy should attend the survey of damaged cargo.

Minimise losses
The amount of damaged cargo can be reduced by immediate separation of the cargo which suffered damage (e.g., wet fertiliser) from the rest of the cargo. If in doubt, suspend cargo operations and formulate a plan to maximise the discharge of sound cargo.

Surrender the cargo
The cargo must only be delivered to the holder of the original B/L or their agent. This important formality is usually attended to by the ship's agent – but if you do find yourself in a difficult or worrying situation, please contact the local Skuld correspondent or Skuld directly.

Delivering cargo without producing an original B/L may lead to misdelivery and other claims, and your P&I cover may be prejudiced.

Shortage of cargo

SKULD'S EXPERIENCE

There are some cargoes where shortage claims are a recurring phenomenon. These are especially high-value cargoes where either theft and pilferage are a problem or cargoes where there is a discrepancy between the ship's and shore's figures, such as dry bulk or liquid cargo.

Bulk carriers
If it comes to cargo carried on bulkers, it is mainly foods where we record many of the short-delivery cases.

Foodstuff
If the vessel loads food stuff in bulk, it can be the case that the shore figures (upon completion of the cargo loading operations) show a higher cargo amount loaded than the draft survey done by the vessel. Often, it is the higher shore figures which are inserted into the B/L which leads to a short-delivery claim at the port of discharge. We have discovered that if an external

surveyor is appointed to carry out a draft survey at the load port it is easier to persuade charterers to insert the draft survey figures into the B/L or in some cases to get shippers (with the help of charterers) to load additional cargo. If you have any issues with the discrepancy of the ship's and shore's figures, please reach out to us for advice.

Sometimes the shortage does not stem from too little cargo loaded, but from pilferage. We have seen cases in which rice cargoes shipped in bulk were bagged on board by stevedores who then took some bagged cargo with them, or even instances of a whole cargo truck bypassing the shore scale and taking a different exit. If the port of discharge is in a country in which pilferage is a problem, we recommend having a discharge survey carried out to have someone keeping an eye on the cargo.

Container vessels

On container vessels, we rarely see a container itself disappear, but it has happened in some jurisdictions, that as soon as the container was discharged, the seal was broken, and the container emptied. This happened before the container was handed over to the receiver. We see such cases mostly with containers carrying high value electronics.

Oil and chemical tankers

With liquid cargo, shortage claims mostly happen if there is a discrepancy between the terminal's figures of the cargo pumped on board and the ullage survey the vessel has carried out during loading operations. In such cases, the terminal's figures are generally higher than the ship's figures and then the terminal insists on having their figure put on the B/L. This will, in many cases, result in a shortage claim being presented at port of discharge. The vessel often has better bargaining power if the ullage survey, during loading operations, was carried out by an independent cargo surveyor.

If you have any issues with the discrepancy of the ship's and terminal's figures, please reach out to us for advice.

The other issue which can cause a shortage claim at port of discharge with liquid cargo, mainly with heavy fuel oil cargo, is if the cargo has hardened during the sea voyage due to a temperature drop. In these situations, the cargo becomes unpumpable and must be heated up, but sometimes cargo remains in the cargo tanks as it cannot be liquified enough to pump it out completely. In such cases it is recommended to involve a third-party cargo surveyor who will then issue a cargo Remaining On Board (ROB) certificate.

Gas tankers

With gas tankers, there can also be the issue of a discrepancy between the terminal's and the ship's figures, as described above, for liquid cargo. In such cases the involvement of a cargo surveyor to carry out a loading survey may prove to be helpful. However, with some of the gas cargoes, such as methane, there can also be the issue of boil-off. Despite the tank insulation being designed to limit the admission of external heat, even a small amount of heat will cause slight evaporation of the cargo. This natural evaporation, known as boil-off, is unavoidable and these vapors are often released from the tanks which are cooled down to maintain the cargo tank pressure. These released cargo vapors will cause a short delivery of cargo. The only way to avoid the removal of the boil-off is to cool the vapours down to a point where they become liquid again and can be added back into the cargo tank.

How can you help

On shore

If the vessel is calling at a port which she has not called at before or for a while, we recommend that you check with local agents before calling at this port if there have been any pilferage issues or a higher number of shortages recently.
We also recommend liaising with Skuld if your vessel is loading either dry bulk cargoes or liquid cargo.
We will then provide you with a recommendation for preventive steps to reduce the risk of a shortage claim at port of discharge. One step to reduce the amount of cargo shortage claims for bulk cargoes is mentioned below, for more tailored loss prevention advice, please contact us.

On board

Tally the cargo

We recommend tallying the cargo during loading and discharge operations to avoid or to limit shortage claims. If shore-side tally clerks are employed, monitor their work, wherever possible.
Ensure members of the ship's crew are vigilant and highlight damaged or substandard cargo that may be missed or ignored by shore-side personnel. This is particularly important in loading ports where shore-side personnel may be less reputable.

CHAPTER 13

Pollution

Pollution can take place in different forms in shipping. A broad definition of a pollution incident is when materials enter the environment (air, soil, and water) where they have a harmful and sometimes poisonous effect. These harmful materials are called pollutants and they can be natural, which in shipping would be invasive species carried in the vessel's ballast water, or organic food waste. Harmful pollutants are mainly created by human activity (not natural) such as plastic garbage or residues produced by engines.

Pollution by vessels - MARPOL regulation

When it comes to pollution incidents caused by vessels, various kinds of pollution are defined and regulated in the International Convention for the Prevention of Pollution from Ships (MARPOL). MARPOL regulations are part of your SMS.

MARPOL covers many different forms of possible shipborne pollution, for example, pollution caused by oil, or by noxious liquid substances in bulk (including wastewater), or by discharging harmful substances carried by sea in packaged form (cargoes listed in the IMDG Code), by discharging sewage or garbage, and by air pollution. With the increasing awareness of global warming, the focus on the prevention of air pollution by vessels is becoming more prominent.

SKULD'S EXPERIENCE

Most pollution cases Skuld deals with are caused by spills or leaking of bunkers, lube oils, or oily substances. We see fewer cases of pollution caused by other liquid cargoes, disposal of wastewater (including exhaust gas scrubber water), garbage, cargo residues, and tank cleaning water.

Any pollution must always be cleaned up to the fullest satisfaction of local authorities. Depending on which national waters the vessel is in, either local authorities arrange for cleaning up any pollution, or the vessel which caused the pollution ("the polluter") must arrange for clean-up services. This is different from country to country.

In most cases the local authorities take control of any clean-up actions. Any clean-up costs will have to be paid for by the vessel that polluted. Local authorities often detain a vessel until security is issued that covers any clean-up costs as well as any pollution fine.

Pollution is a serious offence in many countries and local authorities usually get involved quickly, due to public interest. Even in minor pollution cases local authorities will often issue a substantial fine against the vessel and her owners. The more serious the pollution, the higher the fine will be. This especially happens if the pollution was not caused by accident, but intentionally. In such cases, any environmental fines will be much more expensive, and the crew is at risk of being put in jail and facing criminal proceedings in the country which waters' were polluted.

Criminal acts might not be covered by P&I which means that Skuld cannot assist the crew locally or the shipowner.

Skuld expects its members and the crew sailing on entered vessels to strictly follow MARPOL rules. There is no room for error and especially no shortcuts as the rules will become stricter in the future.

How can you help

On shore

Prevention: Promote safe operations

A solid SMS procedure is the most important and easiest step to avoid pollution. The crew should be instructed to closely follow all safety procedures and to make sure that no shortcuts are taken, even in stressful situations. A job should be done well, even if that means that the crew may take more time to finish a task. It is better to be safe, than sorry.

Preparation: Be aware of local rules and regulations

Before any port call, especially to countries which the vessel is not regularly sailing to, local agents should be contacted and asked about any environmental rules and for their assistance to arrange for discharging sludge, wastewater, or garbage, or ballast water in line with the local regulations. Local agents can also advise of the location of marine protected areas (MPAs), as well as where special designated areas under MARPOL Annex VI, the Emission Control Areas (ECAs) and Sulphur Emission Control Area (SECA), are precisely located. It is important that any information obtained by local agents is shared with all crew to make sure that everyone on board knows which rules to follow. Up-to-date information and an excellent communication culture are important.

Special rules for discharge of ballast water

The Ballast Water Convention (BWM) came into force in 2017. Some countries have extremely strict regulations about the correct discharge of ballast water within 200 nm of their coastline, as the ballast water of a vessel can sometimes carry bacteria or even eggs of small animals or small species from one country to another country. Skuld recommends checking with local agents what the rules and regulations for the proper discharge of ballast water apply in the next port of call and to share such information with all vessels of members' fleet calling that port.

If pollution happens: Always inform authorities early

It is important that local authorities are immediately informed in all pollution cases. It does not matter if the vessel caused the pollution or not. It is better if local authorities hear from you or the vessel first, and not from a third party, as this builds trust. If the pollution stems from the vessel, it will save a lot of costs if local authorities are informed as quickly as possible. The sooner authorities learn more about the amount and nature of the pollutant released, the quicker they can contain the spread of the pollution and arrange for proper clean-up operations.

Skuld has experienced that in cases in which local authorities were informed by the vessel which caused the pollution directly and early, they were much easier to deal with and more reasonable. As most ports or shipping lanes can be very crowded, there will always be another ship that spots a pollution and will report it to local authorities, so they will hear about a pollution incident in any event.

Since in many pollution cases a fine is issued, an early and honest sharing of the necessary information with authorities can reduce the amount of any fines to be issued against the vessel. In cases in which the crew tried to hide pollution, Skuld has seen higher fines being levied against the vessel and her owners.

Encourage crew to correctly log the escape of oil or oily substances

In cases in which oil is leaking from the vessel, it is especially important that the SMS procedure guides the crew to not try to hide any loss of oil, but instead to enter any loss correctly in the logs.

Skuld learned about cases in which the United States Coast Guards (USCG) banned a vessel from entering their waters again due to entries into the oil record book and the logbook not matching up the results of the amount in the tanks when these were sounded as per the order and in the presence of the USCG. In these cases, the vessels were banned from calling at any US port for years or even for their respective lifetime.

It is better to provide for an environment on board which encourages the crew to be honest about any accidental spill of oils, and to correctly log it in the vessel's records.

Always inform Skuld or the local Skuld correspondent early

Immediately contact Skuld on the 24 hours service hotline or alternatively contact our correspondents which are listed on our website (www.skuld.com). It is important that Skuld is notified as early as possible so that we can help you.

ITOPF – an additional resource to be brought in for spills of oils or chemicals
The earlier Skuld is notified of an oil spill, the more preventive steps Skuld can undertake to assist members. The International Tanker Owners Pollution Federation Limited (ITOPF) is a not-for-profit organisation established on behalf of the world's shipowners to promote an effective response to marine spills of oil, chemicals, and other hazardous substances. These kind of emergency response services were, from 1999 onwards, formally extended to the owners of other types of vessels, beyond tankers, as well. ITOPF has provided especially useful technical advice and assisted Skuld with organising clean-up operations after large spills. Through Skuld our members have access to this great resource of experts.

On board

If pollution happens: Stop it if you can
If a polluting substance is identified in the water, check if it is coming from your vessel. If your ship is the polluter, take immediate steps, with the help of other crewmembers, to stop the pollution. If you are sure that the substance is not from your vessel, still record the pollution in the logbook, together with a note that after checking the ship, all steps have been undertaken to make sure that your ship did not cause the pollution and if known, name the polluting source in the logbook entry.

If there is pollution by liquids coming from the vessel
If the polluting substance is oil or oily water or any other form of liquid cargo, it is important to find the tank where the oil leaked from and stop the leak. Also, the tank which is suspected to have been leaking should be sounded to find out how much oil or other form of liquid cargo escaped. The same applies to bunkers and bunker tanks.

In case of an oil leakage: if the leaked amount is too small to be measured, it should be estimated by the crew and a remark about the pollution and the amount of oil lost should be entered in both the logbook and the oil record book. Any pollution, irrespective of how small it is, must be entered in the respective logs of the vessel. The ship's logs must be correct.

If the pollution is caused by another vessel or a terminal
Skuld has seen cases in which the hulls of vessels were stained in a port by an oily substance that came from either another ship or from a nearby oil terminal. In such cases it is important that you immediately inform local authorities and Skuld about the pollution. Skuld also recommends that the crew takes pictures of the areas of the vessel's hull which are oil-stained, if possible. Skuld will assist you in finding a local clean-up crew as any oil stains must be removed before the vessel can sail. If the oil stains are not removed before the vessel departs, she will face problems at her next port of call.

If the pollutant is liquid
If it is possible, we recommend that the crew tries to take samples of any floating pollutant. This should be done in a safe way by the crew. Such samples should be sealed and labelled, as well as mentioned in the logs. These samples can be extremely useful to prove whether the pollutant was coming from your vessel or not.

If the pollutant is solid
If the pollutant is solid, we recommend that the crew takes pictures of the pollutant and makes an entry into the vessel's logbook which should include: a description of the pollution, the date, time, and location of its origin, any pictures that were taken of the pollutant, as well as any information about who the polluter might have been, if known.

Keep the logs up to date
As mentioned above all details of a pollution incident should be entered into the logbook and the oil record book must always be fully up to date.

CHAPTER 14

Important rules for vessels carrying persistent oils

International Civil Liability Convention for Oil Pollution (CLC)
Any seagoing tank vessel carrying a cargo of more than 2,000 tons of persistent oil in bulk (such as crude oil, fuel oil, heavy diesel oil and lubricating oil), whether carried on board as cargo or as bunkers, must have a CLC Certificate on board. This applies for port calls worldwide.

Oil Pollution Act, 1990 – Applies to tankers trading to and in the waters of the U.S.A.
The U.S.A. have special regulations, the Oil Pollution Act, 1990 (OPA 90), only applies to tanker vessels calling at US ports and carrying the cargo of persistent oils. These tankers must make sure their vessel complies with the special US Coast Guard regulations for US waters especially the OPA 90 regulations and the requirements laid out by the Certificate of Financial Responsibility (COFR).

The OPA 90 are federal rules which means that these regulations apply to any and all seaports of the USA; but some individual states (such as Alaska, California, Louisiana, Oregon, Texas, and Washington) have additional rules which must be followed. Skuld recommends to always check with local agents well in time before a US port call to make sure that the vessel complies with all rules and regulations.

Panama Canal requirements
Vessels which sail in the Panama Canal that carry 400 metric tons or more of oil as cargo and/or fuel must have a Panama Canal Shipboard Oil Pollution Emergency Plan (PCSOPEP) which must be approved by the Autoridad Del Canal De Panama (ACP).

CHAPTER 15

Fines

What are fines?

If rules and regulations are not followed, usually an offence is committed. Depending on how severe the offence is, it will then either be penalised with the authority in charge issuing a fine or in severe cases with a jail sentence. A fine is a penalty, which requires the convicted person to pay to the state whose rules were broken a sum of money fixed by law after the offence has been committed.

Fines in shipping

There are many kinds of fines, as these always depend on the local law and the country in which waters the vessel, and her crew, committed an offence.

SKULD'S EXPERIENCE

Pollution fines

As mentioned in the chapter "Pollution" above, if a pollution offence is committed, in many cases a pollution fine will be issued against the vessel or her owners.

It is Skuld's experience that what qualifies as a pollution offence depends in some cases largely on the country where the offence is committed as different countries have different rules.

Other fines

Below are few examples (the list is not exhaustive) of cases Skuld sees frequently.

Immigration fines

These fines are usually issued against the vessel if her crew is not following immigration regulations. These are cases where a passport or any necessary visas of a crewmember have expired. Sometimes a vessel can violate customs laws which are a part of the wider immigration rules. Examples of such cases are if provisions of a vessel are not correctly declared. This could be the amount of lube oil, or medication or any other provisions (e.g., alcohol) on board.

Cargo fines

The kind of cargo fines Skuld deals with mostly, are fines issued for the wrong declaration of cargo. Such as if there is a short delivery of cargo or an overlanding. The fine is then issued, because the actual amount discharged is not identical to the amount stated on the B/L.

Other cargo fines issued could be if local authorities prove that cargo declaration or documentation was false or not complete.

Specific local fines

There are also sometimes specific fines which only apply in a few countries. These could be fines issued against crew which either embarks or disembarks in a port of such a country and the seafarer carries certain electronics or medications without a matching doctor's prescription with them.

How can you help

On shore:

We recommend that, in situations in which a vessel is scheduled to call at a port she does not regularly trade with, local agents are consulted well in advance for their advice as to potential situations which often lead to the issuance of a fine in that port. The same kind of research can be useful if crew is to sign-on or sign-off in ports which are not extensively used for crew change. Such information should be included in the loss prevention procedure of the company and shared with the whole fleet.

Prevention of immigration fines

It is important that any crew member checks well in advance, before signing on, that relevant papers are up to date, including the passport(s) and the Seaman's Book. Many countries demand a passport with a minimum validity of more than six months from the date of entry into their country. Skuld recommends that the crew checks with the crewing department or the crewing agents before signing back on if any necessary visas are missing.

Always inform Skuld or the local Skuld correspondent early

Immediately contact Skuld on the 24 hours service hotline or alternatively contact our correspondents which are listed on our website (www.skuld.com). It is especially important that Skuld is notified as early as possible so that we can help you.

On board

Prevention of custom fines

If it comes to customs declarations of supplies, it may be helpful to have another crew member cross-check the list of goods before same are declared to the immigration officer. A second set of eyes may help to avoid misdeclarations.

Prevention of cargo fines

Cargo fines are usually issued if there is a discrepancy of the cargo amount discharged compared to the amount stated in the B/L. If an actual overlanding or short delivery of cargo is noted upon completion of loading operations there is not much the crew or the member can do, other than trying to get the ship's figures inserted into the B/L. This applies especially if those figures are different from the cargo amount stated by either shippers or charterers. However this can only be done if either a pre-loading survey (which then needs to include the cargo amount loaded), or a tally survey, or draft survey, or an ullage survey was carried out at load port. We do not see many cases in which shipowners succeed in getting cargo interests or charterers to put the ship's cargo figures in the B/L.

Many fines being issued against our members, are connected to shipments of grain cargo, or food stuff in bulk, to certain countries. If members do a lot of these shipments, Skuld recommends inserting protective clauses into the charterparty to shift the risk to charterers.

It is also recommended to members to include clauses into the charterparty shifting the responsibility of owners for false or incomplete cargo documents to charterers.

If you have any questions about charterparty clauses, please contact your claims handler at your local Skuld office. We are happy to help you.

When dealing with local authorities
Based on Skuld's experience, having a local correspondent involved makes any dealing with local authorities much easier. We recommend to always contact Skuld or our local correspondents to assist the vessel in communicating with local authorities.

CHAPTER 16

Contact damage

What is contact damage?

In shipping contact damage is the damage caused by a vessel that either hits another ship (collision), or a permanent structure such as quayside, or a floating structure like a fish farm or a buoy.

The one thing which is always certain when it comes to contact liability is that any damage caused to the vessel herself does not fall under the P&I cover, but under her cover with H&M underwriters. P&I, as a third-party insurance, only covers damage caused to a third party (any party but the vessel entered for P&I). What falls under P&I is a damage claim from the owner of another vessel or an object which was damaged by the entered vessel, and usually these are repair costs or other damages, if the members added additional contact cover to their P&I policy.

If it comes to contact damage caused to a third party by the vessel entered for P&I with Skuld, not all cases fall automatically under an owner's P&I cover. Depending on the terms and conditions of the specific insurance contract, which owners signed with their H&M underwriters, the contact damage (even to third parties) can fall under the insurance cover of the owner's H&M underwriters. It is, however, safe to say that third-party collision cover is, in most cases, covered by either one, the P&I Club of the vessel, or her hull underwriters.

Even so, it is important for you to know that any pollution caused by the entered vessel during a collision or contact case is covered by P&I, so are any injuries to the crew or damage to the cargo.

If you are in doubt about what is covered and who to contact (P&I or Hull) in a contact damage case, you can always contact Skuld, and we will be happy to advise you.

Collision with another vessel - Running Down Clause (RDC)

Skuld has seen many collision cases over the years. Some cases are minor, some are bigger. Most cases happen in busy shipping lanes or in ports where a lot of vessels are coming in, leaving, or manoeuvring, whilst always being on a tight schedule.

If an incident happens, Skuld's focus is always to find out if the crew is well after a collision happened and if any of the bunker tanks or cargo tanks were ruptured, causing pollution.

Contact with a Fixed and Floating Object (FFO)

There is a variety of scenarios which fall under this optional third-party insurance cover if it is placed with Skuld P&I.

Direct contact by the entered vessel

Examples of direct contact damage would be: if the insured vessel makes direct contact with berths, fenders, quays, locks, shore cranes, fish farms, offshore windmills, oil platforms, buoys, coral reefs, or underwater cables which can be torn by vessels dragging their anchor over an area where the underwater cables are laying on the surface of the seabed.

Indirect contact by the entered vessel

Such cases would be where a vessel is moored at a berth and another vessel passes by at high-speed close to the moored one. In such cases often the surge of the water pulls the moored vessel away from the berth, especially if she was fastened with slack lines. If the vessel, then bounces back she can either hit the berth or if she is connected to a loading arm can pull the loading arm off. The moored vessel is then "moved" by the passing vessel and causes damage to berth installations in an indirect way. If the berthed vessel was not properly fastened at the time of the incident, she may be held responsible by the port. However, she also may have a claim against the passing vessel, especially if that one was speeding.

Property damage

If a vessel causes damage to a shore crane during her cargo operations, any claims of the port against the vessel for the crane damage would fall under the member's P&I cover for this property damage case.

SKULD'S EXPERIENCE

Over the years Skuld has seen some cases which could have been prevented. We have dealt with cases in which the crew tried to achieve a shortcut by deviating from a dedicated shipping lane to take a route to the port or berth which appeared to be shorter and would save time. If a vessel does that, then the risk of her colliding with another vessel or object like a reef or a buoy etc. or even running aground is much higher.

How can you help

On shore

It may be helpful for the crew on board to have a checklist they can go through in such scenarios. From our experience we have learned that contact matters do not happen so often when the crew has a checklist as part of their SMS system, and any necessary information can be obtained quickly and in an orderly fashion.

Always inform Skuld or the local Skuld correspondent early

If an accident happens, it is important that Skuld or the local Skuld correspondents are contacted immediately. The contact details of the local Skuld correspondents can be found on: www.skuld.com/correspondents/

Always inform local authorities early

There are some countries, especially within Europe, where local authorities make their own investigations in collision cases. It is important that local authorities are contacted immediately. The local P&I correspondent or local agents can assist the vessel with that.

Who else to inform in a collision case?

If your vessel is damaged in a collision, it is important that your H&M underwriters are informed about that damage as early as possible, as they will arrange for necessary repairs of the vessel.

Also, the classification society and the flag state must be notified.

It may be advisable to contact your charterers and cargo interests. Your Freight, Defence and Demurrage (FD&D) underwriters can assist you with drafting a message.

On board

Prevention: Operate safely

Skuld understands that many vessels are operating within a tight schedule, always trying to avoid any delay. However, even in these stressful situations it is important that the crew does follow the planned route and makes sure that all charts are up to date. Also, all the navigational rules must be followed. When the vessel is berthed, it is equally important to always ensure a safe, sufficient, and tight mooring of the vessel at her berth.

What to do in case of a collision with another ship or object?

It is important that in such cases the vessel seeks help. Besides its shore management, the vessel should contact other important parties such as the P&I Club, H&M underwriters and local authorities if she is within port limits. Local agents or local correspondents can assist with establishing the contact.

Useful information to be collected on board in a collision case

The collection of information is especially important in a contact matter, especially if another vessel is involved as they may present their own information. Skuld recommends to closely follow the SMS procedure. From experience, Skuld has found it helpful if the crew immediately saves the VDR data around the time of the incident and if the vessel is equipped with an ECDIS system to also have her make a copy of that data as well.

Such information can come in handy in a later dispute.

Co-operate with others as per your company's instructions

In bigger collision cases, surveyors may come on board representing the other vessel or representing local authorities. It is important that any representatives of third parties (including a surveyor representing charterers or cargo) are always accompanied by a crew member,

and should only be taken to areas of the vessel that were agreed before they came on board.

Skuld has been involved in cases in which third-party surveyors were trying to get more information by getting access to areas of the vessel which were not part of the agreed tour.

Also, the crew should only share information with third parties as per the vessel's SMS procedure. In larger collision cases, Skuld has found it helpful that any interview of the crew by a representative of another vessel or local authorities is only done when an appointed lawyer representing the crew or at least our correspondents and the master are present.

Information collected on board should only be shared with other parties in strict compliance with the SMS procedure.

We also recommend that the crew does not post any information recorded about a collision on their smart phone on social media or share anything via text or email with anyone (this does include family and friends). If such information gets out, it could potentially hurt the owners.

It is important to protect the vessel, her crew, and her owners in the best way possible.

CHAPTER 17

Freight, Defence and Demurrage (FD&D) insurance

What is FD&D insurance?

Your vessel may be entered with Skuld for 'Freight, Demurrage and Defence' (FD&D) or 'Defence' cover. This includes cover for costs and advice in a wide variety of legal cases, but not the liabilities themselves, in contrast to P&I.

Such cases could be charterparty problems (such as off-hire disputes, or demurrage, detention, dead freight, unsafe port, ship's performance claims), as well as any other claims directly connected with the operation of the vessel.

How can you help

On shore

Whenever there is any request from another stakeholder, such as the charterers, or the cargo interests, for changing or issuing documents in a way that does not reflect the facts, please contact us for advice. These could be requests to issue a clean B/L despite pre-shipment damage of cargo, or entering (higher) shore figures into the B/Ls instead of the ship's figures.

On board

Accurately record the events

Many of the claims mentioned above will end up "back at the office", but it is important to accurately record the facts as and when they occur.

Check documentation

It is important that you carefully check any documents you issue, or are asked to sign, such as Statements of Facts, Notices of Readiness, Letters of Protest, etc. This applies even if you sign them "without prejudice" or "for receipt only". Accurately record events as they happen. Do not sign or accept documents which contain information which is not identical with the facts.

Be consistent

Record information in the ship's logbooks diligently and make sure that all documents are correct, consistent, and up to date. For example, the date and time of an event entered in the deck logbook should exactly match the entries in the bell book, engine logbook, oil record book etc.

CHAPTER 18

Skuld – your global marine insurer

Established in Oslo in 1897, as a P&I Club for Scandinavian shipowners, Skuld has grown into a leading global marine insurance provider protecting people, property and the planet. With headquarters in Oslo and a worldwide office network, we provide our members and clients with insurance solutions they can rely on for the future, 24 hours a day. As a service provider, we are second to none. Building on our past, we will protect you in the future. This is our present.

Skuld caters to the needs of shipowners, the offshore and energy sector, charterers, traders and more. We are committed to providing members and clients with a comprehensive casualty response service and extensive loss prevention programmes to better safeguard casualties and prevent injury.

We continue to build on our past to ensure we protect our customers in the present, and we will work with you to help you adapt and respond to future risks. Together, we all share the same horizon, the same values, and the same sustainable goals. Wherever you are in the world, we have one thing in common, to ensure zero harm to people, property and the planet.

Loss Prevention

Our purpose is to protect the ocean industries. Providing timely, accurate and actionable Loss Prevention advice is a key service to our members and this booklet is part of that service offering.

By following the insights in this booklet, you can help yourself, your crew, and your ship. By always doing the right thing at the right time, everybody benefits.

If you have any questions on any points in this booklet, please contact your local Skuld office. We will be happy to help.

For Skuld's offices and correspondents, please see **www.skuld.com**

Rest assured.

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