

## Britannia P&I applies ESG concepts to all its strategic choices and operations

*Despite the market recovery in most shipping sectors we are seeing a hardening of the marine insurance market and especially P&I. In this challenging insurance market, Britannia P&I Club continues to provide its members with excellent service and strong finances and shares best practice and knowledge via its BSafe online safety campaign. In the interview that follows, Konstantinos Samaritis, Head of Britannia P&I Club's Greek office, describes the latest developments in the P&I sector such as the impact from the Covid-19 pandemic and the rise in insurance costs and explains Britannia's proactive approach to improving onboard safety.*



Konstantinos Samaritis, Head of Britannia P&I Club's Greek office

Ever Given will be taken into consideration within this review and assessment process. It is worth noting that with incidents like the Ever Given the risk exposure will not fall solely on P&I and the risk, as it was with this incident, will be shared across the marine market.

**- Do you believe that the beginning of the market recovery in most shipping sectors will have a positive impact on the general health of marine underwriting and global marine premiums?**

- We are delighted to see signs of a market recovery in most shipping sectors and we hope this recovery continues and strengthens for the overall good health of our industry. While, of course, we hope the market recovery will have a positive impact on the general health of marine underwriting and premiums, there is not necessarily a direct correlation between the two and there are several factors, such as claims trends, which will influence the health of marine underwriting. In fact, the recovery is coming at a time when we are seeing a hardening of the marine insurance market generally, and especially P&I. Most Clubs are operating an underwriting deficit with insufficient premiums to cover their claims exposure. Hopefully, the market recovery will enable shipowners to be better placed to meet the rise in insurance costs required across the market.

**- Do you agree that online audits, inspections and remote surveys can improve the loss prevention performance of a shipping company?**

- Remote surveys can be a useful tool especially when it has been so difficult, and sometimes impossible, to visit ships during the pandemic. However, online inspections and surveys may not be a long-term replacement for in-person inspections and

**- In the wake of the "Ever Given" grounding in the Suez Canal should marine underwriters assess the changing profile of the risk they insure?**

- Britannia continually reviews the risk profile of its membership and makes adjustments accordingly to rates or the terms of entry, for example deductibles. All Clubs are able to determine their preferred risk profile and Britannia is no exception. We will regularly monitor and assess our risk profile at both Member level and across the entire Club. Incidents like the high profile grounding of the

surveys as they require a lot of engagement from crew members who may already be under pressure in carrying out their day-to-day roles. On the other hand, remote navigational audits have been conducted for years within the tanker industry. With these audits the voyage data recorder information is downloaded and then an external company analyses the recording and will suggest areas for improvement. Such remote audits can be very helpful in terms of improving safety and do not require so much of the crew members' time.

**- What are your organisation's approach and measures to improve risk assessment and increase operational efficiencies?**

- Our Loss Prevention Department works closely with members to identify, reduce and mitigate potential risks. When new members join the Club we will conduct a management review in which we discuss potential risks and ways to manage them. We will discuss the different types of risk and mitigation strategies that we see with other Members with similar risk profiles. We also conduct regular risk surveys of existing Members to identify potential issues and areas for improvement. We also like to have regular dialogue with our Members on developing risk issues or any trends we are seeing across the membership. The risk issues and topics identified often form the basis of our regular Loss Prevention Insight reports and other guidance shared with Members, as well as seminars and webinars where we collaborate with external industry experts to provide advice. We believe in taking a proactive approach to improving risk assessment and an example of this is our BSafe online safety campaign which aims to improve safety and security onboard through sharing best practice and knowledge via our BSafe website. This includes regular case studies on real incidents with lessons learned and reflective learning materials.

**- Do you agree that marine insurance should pursue to ensure sustainability both in terms of ESG issues but also to maintain marine underwriting as a healthy and resilient activity?**

- Britannia published its sustainability report in July 2021, one of the first P&I Clubs to do so. The report defines the starting position of Britannia's sustainability initiative and sets out the Club's roadmap for the future. It outlines how Britannia is embedding the management of climate related risk into its business strategy and integrating sustainability into its core processes. Britannia's sustainability report seeks to apply environmental, social and governance (ESG) concepts to all the strategic choices and operations of the Club.

**- How do you deal with difficulties surrounding repatriation and crew changes facing seafarers around the world due to Covid-19 related restrictions and closures?**

- Generally speaking, crew changes are operational matters, but we are aware of the issues facing some members, who have had to divert their ships to countries/ports where such crew changes are allowed. We are also aware of members having to replace off-signing crew with nationalities other than their usual crew contingent on the basis of local availability/ability

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## THINKING GLOBALLY

### ACTING LOCALLY



to travel easily and at short notice. We are also aware of cases where members have repatriated crew using other vessels in their fleets, there being no other way to get them home at the end of their contracts.

Through our handling of medical repatriations for our members' seafarers, we are aware of numerous delays and significant additional expenditure being incurred because of lack of available flights, as well as stringent quarantine and testing requirements in both the departure and the arrival countries. We are handling a number of cases where seafarers are effectively 'stuck in transit' for what can be several months because of the additional restrictions in place. On occasion we have enlisted the help of the local embassies of the nationality of the seafarer (in case, for example, they are aware of charter flights being arranged to repatriate their nationals). On at least one other occasion we have repatriated a seafarer by air ambulance where this was not strictly required from a medical point of view, this being the only way to get the sick/injured seafarer home for further treatment in a timely manner. In other cases, there is little alternative but to sit and wait for a repatriation flight to be available (and/or for the seafarer to fulfil the testing requirements for flying/repatriation).

**- How sustainable are the individual Clubs subsidizing underwriting losses from investment income in regards to premium rating and renewal policies?**

- We believe that investment income should not be used to make up for an underwriting deficit: not least because you cannot guarantee investment income and it could change signifi-

cantly (up or down) due to external factors. It is important to get the underwriting right on its own and address any deficit by adjusting the underwriting rates and terms. This is a view shared by the regulators and rating agencies.

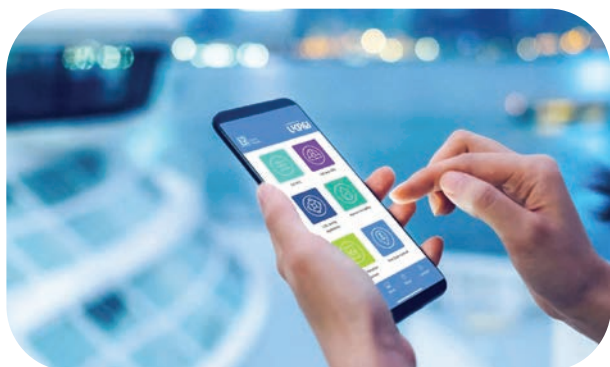
**- How do you explain the fact that the last 20 years we saw an increase in free reserves despite the big marine loss events and the natural catastrophes of the past years?**

- The main driver behind the increase in free reserves in recent years is the capital solvency or adequacy requirements set by regulators rather than a deliberate strategy to grow reserves simply for the sake of it: after all, we are a not for profit organisation. The claims relating to large marine loss events should ideally be met by adequate premium levels feeding in to the Group reinsurance arrangements.

**- What are the future plans of your organisation in a turbulent and unstable shipping environment?**

- Britannia has been trusted by our Members since 1855 and in the ensuing century and a half there have been many turbulent and unstable periods in the maritime environment, yet we have survived and been able to continue to provide our Members with excellent service and strong finances. Our interests are naturally aligned to those of the shipping sector and we respond where we can to help our Members and the wider shipping sector. For example, we have recently used our financial strength to manage a technical underwriting deficit while providing a significant capital distribution to our Members at a time of market uncertainty for shipowners.

## UK Club launches 2 new apps



The UK P&I Club has proudly launched two new mobile applications for the Maritime industry, both with added features and a new design fit for the modern-day Mariner.

### Correspondent Connect

Welcome to a new way of working, welcome to Correspondent Connect. A new app that is designed around making life a little easier for you. Access correspondent information 24/7 from your mobile device. Anytime. Anywhere.

Linked with TM Connect, you will have quick access online services, Club rules and up-to-date correspondent information. Save your favourite contacts and record notes and messages while you're on the move.

### Features

- Offline access to correspondent contact information
- Improved Ship Search functionality
- Quick access to TM Connect
- Quick access to the Club's new electronic Rule Book
- Quick access to the Club's emergency contact telephone numbers

- Quick access to the Club's publications, circulars and website
  - Ability to save favourite correspondents
  - Ability to download contact information directly to your mobile device
  - Ability to create and save notes
- "Access correspondent information 24/7 from your mobile device. Anytime. Anywhere."

Correspondent Connect can be download via the UK Club website.

### Port State Control (PSC) Checklists

Lloyd's Register (LR) and UK P&I Club have released a new and improved Port State Control (PSC) checklist app. The app helps ensure that ship personnel are trained in how to inspect, maintain and operate life-saving equipment, and that equipment is ready for use at all times. The app also includes a list of common deficiencies to ensure compliance with regulatory requirements and help reduce the risk of PSC detentions.

The full list of checklists featured include ILO MLC, ISM & ISPS, Life Saving Appliances, Marine Fire Safety, Marine Pollution Prevention and Port State Control into one, easy-to-use app. Checklists on the new and improved app are continuously updated to reflect new or amended legislation as it comes into force, so users remain up to date.

The app includes functionality that enable ships' crews and their managers to easily view necessary legislative and regulatory requirements, save multiple checklists, check-off completed activities, add essential notes, use the device camera to take images and has the ability to print and send files via email. The app is available to all Shipowners and operators regardless of classification provider.

Previous versions of the apps, such as the ILO MLC and ISM & ISPS pocket checklists, have been downloaded more than 270,084 times.

The PSC pocket checklist app is available now for free on iPhone, iPad and Android devices. Please visit the UK P&I Club website for more information and download options.