

HOUSE TOHOUSE

JANUARY 2014

The perils of bad packing

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CEO's review

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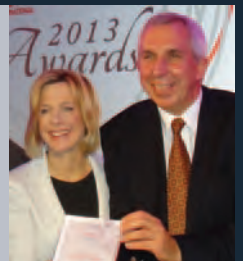
News in brief

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CINS wins award

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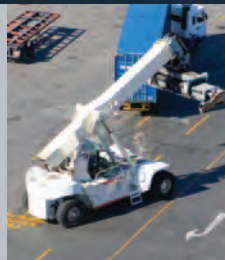


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In this issue

Welcome to our latest edition of h2h which we hope you will find an interesting read.

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As Charles Fenton defines in his CEO Review, 2013 has been a good year for the Club with a notably quiet hurricane season and good performance of Member's claims. This will help deliver on one of our headline objectives – to maintain Member's premiums at the lowest sustainable levels. Read the Review on page 1 to find out more about this.

Understanding the frequency and severity of claims is an essential element of our established expertise. We are constantly analysing our claims data to ensure we understand our Member's exposures. As part of this analysis we know that 65% of claims for loss or damage to cargo comes from poor or improper packing. On page 4 our Risk Management Director Peregrine Storrs-Fox reviews the 'Perils of bad packing' and identifies the root causes of the problem.

As you will be aware, the nature of the supply chain will frequently result in multiple parties being involved from different jurisdictions. This can lead to potentially complex legal issues and is where TT's global reach is called into play from our network of 20 specialist claims offices. On page 6 we spotlight the work carried out by one of our network partners, TTMS Argentina in South America.

On page 8 we have highlighted examples of legal complexity through three claims which demonstrate; the importance of appointing the right lawyer, challenging highly inflated claims and the value of swift investigation and settlement. 45 years in the same business means there are few claims we haven't seen before and we plan to include further examples of the types of claims we handle in future editions of h2h in order to demonstrate our protocols for managing complexity.

In this edition we also look at some of the initiatives undertaken by the Club in 2013 including:

- A training seminar for our Latin American service providers in Miami attended by representatives from 14 different countries (page 8)
- A workshop at the National Association of Freight and Logistics' AGM in Dubai on the added risk forwarders are taking as they widen the scope of their business activities
- The 'Highly Commended Award' achieved by our Sydney Team for their loss prevention initiatives at the 18th Australian Shipping and Maritime Industry Awards (page 10)

We hope you find the articles interesting and useful. If you have any feedback or suggestions for topics you would like covered in future editions, please do not hesitate to get in touch by emailing our Marketing Manager, Tally Judge on tally.judge@thomasmiller.com.

CEO's review

First of all, happy new year and I hope that what appears to be improving global economic conditions benefits all our businesses in 2014

Charles Fenton
Chief Executive



Although the process for producing the Club's financial statements for 2013 has only just started it has become clear as the year developed that this was going to be a good year for the Club. It has been widely reported by the insurance market that there has been an absence of very large claims in the year. Notably the US hurricane season has been quiet when measured by insurance losses. This is not of course to say that the world has not seen major events in 2013. Indeed, it is only a short time since typhoon Haiyan caused huge damage to the Philippines, but insured losses from such events have been lower than expected.

We are not as exposed to the very large natural catastrophe losses as other global insurers. This is for two main reasons.

- The focus of the Club's business is in providing insurance at levels that enable us to show value by delivering service to Members and their brokers, rather than simply providing insurance capacity.
- The Club limits its involvement with known areas of potential natural catastrophe events.

"More impact to the health of the Club has been the generally good performance of Members' claims"

Of more impact to the health of the Club, however, has been the generally good performance of Members' claims – those at the levels that can more normally be foreseen in the usual operation of their businesses. This good claims performance has helped the Club keep Members' premiums down and that in turn will help deliver on one of our headline objectives, that of maintaining Members' premiums at the lowest sustainable levels.

"One of our headline objectives is that of maintaining Members' premiums at the lowest sustainable levels"

We are always interested in your views on how we perform and what improvements can be made. In order to ensure we are capturing these, in addition to the customer survey which we will be running in the first half of 2014, we have in 2013 instituted a more structured system for ensuring we understand the reason why those few Members that leave the Club do so. In addition, in 2014 we will be building into our email template a link to an address that gives all those with whom we do business the opportunity to provide comments directly to us. I would encourage all of you with views to use any mechanism available to you to feed in your views on the Club

and its service. As I said earlier it is the Club's service that differentiates it and the Board and management team are keen to ensure that we meet Members' needs.

"I would encourage all of you to feed in your views on the Club and its service."

I hope you enjoy reading this newsletter. We are fortunate to work in an area of commerce where personal relationships are important and in this context it is good to read about the Club's network partner in Buenos Aires featured on page 6 and the Thomas Miller office in Sydney on pages 10 and 11.

Charles Fenton *Chief Executive*



News in brief

Fines in Italy



The Italian authorities have recently imposed fines on Members who were allegedly in breach of EU law relating to anti-dumping for cargoes originating from China, even though the cargoes were declared as originating elsewhere.

TT Club licensed in Croatia



As a result of Croatia joining the European Union (EU) this year, we are now licensed to write business there. We recognise the opportunities

Croatia has to offer and would be keen to review any applications from companies based there.

Series 100 change

We have made a slight change (one numeric character) to the Series 100 Bill of Lading, to refer to the 1994 York-Antwerp rules, instead of the 1974 rules. The Version number is updated from MMII to MMII(I). The Series 100 Bill of Lading can be found in 'My TT Club', the private section of our website restricted to Members and brokers.



Are you satisfied?



We are always keen to ensure we are providing an excellent level of service. While feedback is monitored on an on-going basis by the Board and senior management, we have decided to run our customer satisfaction survey again in spring 2014. We hope you will help us by telling us what you think.

Brazilian customs risk

Brazil has long had a unique system for cargo delivery at ports and subsequent customs clearance. The ship delivers the cargo to the port, not the consignee, and then loses control of the cargo. The port is obliged to look after the cargo, arrange customs clearance on the application of the consignee, and release the cargo to the consignee on receipt of a clearance certificate and the bill of lading.

There were until recently safeguards built into the system. In particular, the port had always been required to receive a bill of lading before releasing the cargo. This relatively stable situation was upset by the issue in May 2013 of a new regulation



Todos Santos Bay, Salvador, Brazil

that appeared to remove this requirement.

Therefore, there is now an increased risk that cargo will be delivered to an incorrect consignee who has not presented a bill of lading and that TT Club Members may be

held liable for this. There is some uncertainty as to what will happen in practice, and we are monitoring developments closely but in the meantime we are advising Members to clause their bills of lading appropriately.

CINS recognised for CSR

The CINS initiative has received a well deserved award for its work around capturing incident data and striving to enhance safety in the industry, says Peregrine Storrs-Fox, TT Club Risk Management Director.

The Cargo Incident Notification System (CINS) was recently named winner of Containerisation International's award for corporate social responsibility (CSR). The awards ceremony took place in October 2013 at The Sheraton Park Lane Hotel in London.

CINS was established in 2011 by five of the world's largest shipping lines to capture incident data from the container supply chain. The initiative was taken in response to the increasing volume of incidents that regularly disrupt operations and endanger lives, property and the environment, both at sea and on land.

The initiative was taken in response to the increasing volume of incidents that disrupt operations and endanger lives, property and the environment.

As a major insurance provider to container operators and handlers, TT Club was invited at the outset to act in an advisory capacity to the CINS Committee, alongside the International Group of P&I Clubs, and is still involved today.

The founding members – CMA CGM, Evergreen Line, Hapag-Lloyd, Maersk Line and MSC – have been joined by five other lines, and the group now represents about 60 per cent of container slot capacity.

The network is expected to continue growing in the coming months as a number of other shipping lines are showing real interest.

notable that the most frequent cargoes causing problems over the past two years relate to flammable, corrosive and environmentally hazardous products.

Investigations into the root causes of these incidents have revealed that issues relating to cargo packing are major contributors (see pages 5 and 6). Such findings strongly support the need to update best practice guidelines for packing cargo transport units.

CINS says: "CINS findings to date show a strong case to seek broader industry involvement, to increase the awareness of areas of concern and trends in containerised shipping, and continue to improve safety in the supply chain."

Looking into root causes

The CINS incident database is used to provide early warnings of trends. In a year that has seen several serious fires, it is



L-R: Karl Lumbers (UK P&I), Peregrine Storrs-Fox (TT Club), Reinhard Schwede (Hapag-Lloyd), Hazel Irvine (Presenter), Dirk Vande Velde (MSC), Melvin Lin (Evergreen), Uffe Ernst-Fredricksen (Maersk Line). Not present: Marc Lefebvre (CMA-CGM).

The perils of bad packing

Whether the weight of cargo is contributing to container accidents has long been in the spotlight – but it is actually how you pack the container that seems to be key.

Effective cargo management is critical, whatever supply chain role is being undertaken. That's why the current debate in the container industry concerning incidents that damage cargo and containers, as well as causing injuries and fatalities, is so pertinent.

Much industry attention has recently been focused on the debate surrounding the degree to which inaccurate weights cause accidents including stack collapses, road and terminal vehicle overturnings, crane failures and even ship losses.

However, the reality is that accurate weighing of containerised cargo is only a small part of safety in the supply chain. The way in which cargo is packed and secured in containers is arguably far more significant, as it can lead to loads shifting or cargo spillages.

Packing problems

We frequently see investigations into cargo claims that identify poor load distribution, improperly packed cargo and inadequate blocking, bracing and securing (including inappropriate use of dunnage) as major factors in accidents.

In fact, our claims experience shows that 65 per cent of incidents involving loss of or damage to cargo are thought to be caused by poor or improper packing and securing. This is echoed by the more granular figures from the ocean carriers' Cargo Information Notification System (CINS), where some 35 per cent of incidents investigated were found to have been caused by poorly or incorrectly packed containers.

It is not weight but inappropriately packed and secured cargo that is the major cause of accidents.

Further evidence of the dangers of unsafe packing was revealed by a survey carried out for three key UN bodies: the International Labour Organization (ILO), the International Maritime Organization (IMO)



and the United Nations Economic Commission for Europe (UNECE).

These bodies have teamed up to develop a code of practice for packing cargo transport units (CTUs), including trailers, swap bodies, railcars and containers. The survey confirmed that it is not weight per se, but inappropriately packed and secured cargo that is the major cause of accidents.

The roots of the problem

Research into this area has identified a range of issues. For example, those involved in packing CTUs often struggle to get a heavy item in, and then believe that it will not move during transit. Even where they consider that it might move, they believe that something like a small batten nailed to the floor will stop it. In addition, many packers assume that placing a heavy load near the door will make it easier to get it out again, without thinking of the consequences of such weight distribution within the unit or on a conveyance.

Part of the problem is that there is inadequate awareness of the dynamic forces imposed on cargo during transit. For example, while a domestic washing machine goes through about 6,000

movements in a typical wash cycle, a trans-Atlantic voyage may put cargo through 160,000 similar movements. In that context, the need to secure cargo properly to ensure its safe delivery is obvious.

While a domestic washing machine goes through about 6,000 movements in a typical wash cycle, a trans-Atlantic voyage may put cargo through 160,000 similar movements.

There is also an element of 'out of sight, out of mind'. Once those who pack the container at its origin close the doors, they are generally relinquished of all responsibility. The modern container passes through so many handling processes on its subsequent journey that it can be difficult to pinpoint liability for an incident, even if poor packing is suspected.

The consequences, however, are vast in terms of injury and loss of life, as well as cargo damage and damage to other property.

Latest packing guidelines

TT Club is not alone in promoting the need for best practice guidelines for cargo packing procedures. For many years SOLAS (the International Convention for the Safety of

Peregrine Storrs-Fox
Risk Management Director



Life at Sea) and the International Maritime Dangerous Goods Code have referenced the IMO/ILO/UN ECE Guidelines for Packing Cargo Transport Units (CTUs) (1997), to assist those involved in packing containers and other transport units.

However, ILO research found that only 15 per cent of packers are using these guidelines – and many were not even aware of them.

As a result, the ILO's Global Dialogue Forum decided to revise the guidelines and formulate them as a non-mandatory, but enforceable, code of practice. A group of experts was brought together by the three UN bodies, which has now totally restructured the code to cover the entire supply chain process and extended the detail of guidance provided.

The TT Club participated in the 4th and final meeting on the draft code in November 2013 which is now expected to be submitted to each of the three UN entities for approval. The last of the three should be IMO's Maritime Safety Committee meeting in May 2014. Assuming approval, it is anticipated that administrations will be encouraged to adopt it in their national legislation.

TT Club's response

TT Club has also been busy in this area, commissioning Exis Technologies to develop CTUpack e-learning™, an online training tool for those involved in the packing and unpacking of containers and other CTUs. The aim of the course is to focus industry attention on the significant and dangerous implications of bad packing and provide guidance consistent with current good practice. It will be launched in January 2014.

CTUpack e-learning™ follows the well established IMDG Code e-learning training course from Exis, which is also sponsored by TT Club. Both courses are highly relevant to the risk management approach that the Club has always fostered within the global freight transport community. As in other operational sectors of the industry, training is clearly the number one loss prevention measure and, if adopted as a core feature of an operator's culture, can greatly reduce the number of incidents occurring each year around the world.



Need for communication

While plenty of good work is being done in this area, communication remains the challenge. The ILO's research clearly found that the current packing guidelines are not generally reaching those who are actually packing CTUs and therefore recommended that their replacement should be readily available in a format that can be used by packers across the globe. The IMO agreed that the new code should be structured in a user-friendly fashion and be freely available on the web for ease of dissemination.

The substantial investment of the last three years, drawing together this wealth of expertise to develop the CTU packing code, will only be worthwhile if effective global dissemination and use of the code is achieved.

The development of CTUpack e-learning™ represents what TT Club hopes will be an important contribution to the broad distribution of good practice for packers.

Find out more

CTUpack e-learning™ can be purchased directly from www.ctupack.com with discounts available for courses purchased in quantity.



Spotlight on Argentina



This edition's spotlight looks at the work carried out by our Network Partner in South America: TTMS Argentina.

Inevitably the business opportunities presented by globalisation result in many companies trading beyond their geographic and jurisdictional 'comfort zones' – carrying goods to and from regions where they have limited experience or local contacts.

Our established global claims handling network enables us to be on hand to respond to incidents arising from such activities. Here we take a closer look at our Network Partner in Argentina.

Need to know

TTMS Argentina has a broad responsibility overseeing all claims arising throughout South America, managing Member and broker relationships, as well as marketing the Club across the region.

"An experienced office with good claims control and Member relations". Ref: TT Club Audit 2012

Examples of key claims managed by TTMS Argentina have included; fire damage to gantry cranes and reach stackers, handling damage to tug engines, collapse of shore cranes and bodily injury claims.

The number of claims being processed at present is approximately 650, with an estimated value of US\$17m.

TTMS Argentina has four team members:

**Alejandro Johnston
(Claims Executive) 2004**

a seasoned claims handler including price experience with shipping lines.

**Hernan Pistochi
(Claims Executive) 2007**

an experienced claims handler and also licensed port administrator.

**Nair Farias
(Office Administrator) 2006**

**Eddie Marconi
(Office Manager) 2004**

an economist by training with a background in cargo surveying.



L-R: Alejandro Johnston, Hernan Pistochi, Nair Farias and Eddie Marconi

currency exchange restrictions, which sometimes brings difficulties in terms of settling claims payments.

Finally, natural events including earthquakes, flooding and hurricanes are always an issue across the region."

How quickly can you get to the scene of an incident?

"In one example involving loss of cargo, using our established network of approved surveyors we were able to provide assistance on site one hour after a particular loss was reported – allowing prompt action to be taken towards discovering the real extent of the loss. Documents reported the claim to be 10 times above its real value. In the end, this was proven to be fraudulent and we settled in the region of US\$50,000.

Q&A with TTMS Argentina

What issues do you face in your region?

"There have been some recent changes to insurance regulations, mainly in Argentina. The regulations had been quite loose since the mid-1990s and they have now been made much stricter, particularly with respect to reinsurance. This has resulted in TT Club registering itself in Argentina as a reinsurer.

Many countries, such as Venezuela and more recently Argentina, have suffered

Using our established network of approved surveyors we were able to provide assistance on site one hour after a particular loss was reported.

In another case where a crane collapse took place, following liaison with the London office, an expert was dispatched from the UK to Paraguay within 24 hours. This meant we could provide hands-on assistance to the Member and we also found evidence that proved useful in recovery from third-parties".



The modern Puerto Madero district in Buenos Aires, Argentina

Claims expertise in action

Our established expertise and in-depth knowledge of the freight transport sector really come into play when handling complex claims, as the following examples show:



Appointing the right lawyer

The brakes of a quay crane, operated by our Terminal Owner Member, failed. In order to avoid an impact between the truck and the container that the crane was lifting from the truck, the crane driver decided to drop the container next to the truck.

Unfortunately, the crane driver failed to see a forklift being operated by two stevedores below him. As it fell, the container killed one stevedore and seriously injured the other. This caused a near riot between the stevedores and the terminal managers who were threatened and had to leave the terminal under police escort.

There were technical problems with the crane. In particular, continuous cuts in the electricity supply to the crane engines compromised the brakes, and the emergency brakes were found to be defective.

Lawyers on behalf of the injured stevedore claimed compensation in the amount of US\$1 million. The Club's lawyers managed to negotiate a settlement for US\$600,000, successfully arguing that the claimant and deceased had been instructed not to operate their forklift under the quay crane. Our lawyers also negotiated with lawyers for the company responsible for maintaining the crane and persuaded them to contribute 49% of the cost of the settlement.

By appointing the right local lawyers, claims can be placed in their correct legal context, and reduced accordingly. Exposure can be reduced still further by a professional approach to other liable third parties.

Challenging highly inflated claims

A Terminal Operator Member was involved in the discharge by way of the ship's crane, when the ship was allegedly damaged. The ship owners undertook a survey and claimed repairs would take more than a week to complete at a cost of US\$135,000. Upon careful scrutiny of the survey photographs however, it was apparent much of the damage that had been repaired was not as a result of the alleged incident but pre-existing damage. The Club appointed a surveyor to participate in a joint survey and as a result the final repair invoice was presented for just US\$11,000.

Unfortunately, the charterers presented a claim a year later for US\$30,000 for costs and fees. This was followed by the charterers' P&I Club claiming US\$175,000 for repairs and off hire costs, supported by the owner's final hire statement.

Upon review of the claim the loss of hire claim was not considered to be entirely credible as it was not based on actual losses but upon theoretical market losses. Moreover, the Club argued that some costs, for example superintendents' costs, were unjustified. As a result the claim was settled at US\$100,000.

Another important point arising from this claim relates to the proper use of Standard Terms and Conditions. It is entirely possible that the charterers' claim would have been time barred had a one year claim notification time limit been incorporated into the Member's contract.

Swift investigation and settlement

A truck driver was injured when a container door fell off its hinges as he attempted to open it. The container was owned by a ship operator Member. The driver suffered severe bruising and lacerations, as well as neck and back pain.

Upon investigation, it was revealed that the door hinges were defective and therefore there would be no chance of avoiding liability. A settlement was negotiated directly with the truck driver in the amount of US\$20,000. By acting quickly in investigating the claim and taking an early decision on the question of liability claims can be settled swiftly and fairly with minimum legal costs and delay being involved.

New ClaimsTrac user guide

Our free ClaimsTrac online system allows you to access detailed information about all your claims – 24/7 from a secure, password protected portal.

Request your copy

To request a copy of the user guide please contact your claims executive.



Investing in Latin America

As part of our drive to expand the TT Club's presence in Latin America, we recently held a seminar for our Latin American partners.



TT Club's Miami Seminar: Attendees represented 14 countries across Latin America

TT Club held a training seminar for our Latin American service providers in Miami in July 2013.

The 55 attendees from fourteen countries included brokers, correspondents, lawyers and surveyors, as well as representatives from our Network Partner TTMS Argentina (see page 7).

"A positive encounter with great contributions from TT Club that I found useful"

The three-day seminar, which was delivered in Spanish, was held at the Hyatt Regency in Miami, provided training in underwriting, loss prevention and claims handling and was organised by Dan Negron, Senior Underwriter at TT Club's New Jersey office (front row, far right of picture).

Topics of discussion included:

- An analysis of existing insurance clauses and new draft clauses that are due to be released shortly.
- A session on loss prevention led by Laurence Jones, the Club's Director of Global Risk, focused on terminal surveys

in the region and lessons learned.

- A day-long session, which was led by Ian Hyslop, a legal consultant for the Club, which was devoted to the study of claims and involved participant group work analysing actual claims that had been presented to the Club.

on servicing issues relating to their operations.

Ample time was allowed during the event for attendees to network with each other including a cocktail reception.

Feedback from participants indicated high satisfaction with the training received.

"A hugely enriching experience"

The seminar also provided a forum for representatives of various countries to report

"Excellent seminar, well organized"

TT Club plans to hold Latin American seminars on a biennial basis from now on.



Forwarders facing increased risks

Forwarders are widening the scope of their activities – and facing an increased range of risks as a result. In this article we highlight some of the issues and provide some solutions to reduce the risks.



L-R: Julien Horn, TT Club, Senior Underwriter, David Phillips, Chairman of the NAFL and Andrew Kemp, Regional Director, TT Club

TT Club was speaking at the National Association of Freight and Logistics (NAFL) annual general meeting in October, which was held in Dubai and attended by 140 representatives from the United Arab Emirates freight transport community.

TT Club workshop

TT Club held an in-depth workshop at the event, which was run by Regional Director Andrew Kemp, Senior Underwriter Julien Horn, and Brian Reckerman, Senior Claims Handler for Network Partner TTMS Gulf, based in Dubai.

The team outlined how, increasingly, forwarders are providing involved logistics services such as warehousing and distribution, procurement of additional products for sub-assembly and packaging, and even software uploading. All of these additional activities increase their liabilities.

Forwarders are increasingly accepting contractual responsibility for the full value of goods throughout lengthy and often complex supply chains.

They also highlighted how forwarders are increasingly accepting contractual responsibility for the full value of goods throughout lengthy and often complex

supply chains. While these responsibilities create often onerous risks, forwarders are coming under considerable pressure to accept them.

The risks can be further compounded when employing subcontractors, as obtaining their acceptance of such risks can be difficult.

As highlighted in the presentation, TT Club has experienced an expanded range in types of claims occurring as a result of the extension of liabilities. With the increased complexity in services and contractual arrangements it is becoming important to select an insurer with specialism in assessing and advising on the level of exposure that the signing of a particular contract may imply.

Awareness of these circumstances, and the seeking of professional advice on the extent of the possible risks which may result, are essential for the modern day forwarder and logistics operator to assimilate, particularly when involved in the rapidly developing Middle East hub.

We underlined the difficulty forwarders in the Middle East have sourcing reliable trucking companies that are fully insured for liability risk.

Finally, the workshop underlined the difficulty forwarders in the Middle East have

in sourcing reliable trucking companies that are fully insured for liability risk. TT Club commended the initiative put in place by the NAFL to improve this situation by establishing insurance compliance standards for designated 'safe operators'.

However, until compliance is fully adopted by the region's haulage industry, solid recourse prospects for many transport operators will remain a problem.

In the spotlight

At the event, TT Club was delighted to receive an award from the NAFL in recognition of its expertise. We thank David Phillips, Chairman of the NAFL and CEO of Freight Systems LLC, for presenting us with our award.

Middle East Conference

Andrew Kemp, TT's Regional Director recently presented at the TOC Middle East conference in the session on 'Emerging trends in emerging markets: the Middle East's role in the south-south trade boom.' Andrew focussed on the changing roles and opportunities for forwarders in the Middle East and the risks these bring. Details of his presentation can be found in the News & Events section of our website.



Dubai World Trade Centre, venue for TOC Middle East

Australia calling

2013 has been a busy and successful year for the Sydney TT Club team. Here we look at the range of local initiatives they've been working on which demonstrate TT Clubs overall expertise and alignment to the industry.



A diesel train pulling shipping containers across Queensland's natural grasslands

Getting out and about

The team has taken part in a number of high-profile events throughout this year.

Steadfast broker convention

At this well-attended convention, the team met over 130 new business contacts which generated a range of new business enquiries. The team followed up with visits to brokers to have discussions and provide training on freight forwarders' risks.



Loss prevention roadshow

The Sydney office and Network Partner P&I Services Auckland collaborated to deliver a series of seminars across New Zealand and Australia on bodily injury,

abandoned cargo and indemnity clauses. These attracted a great turnout of both Members and brokers and generated lots of interest and questions.

Broker networking event

A broker networking evening in Sydney in October was a great success, with feedback from brokers including "a most enjoyable event – we appreciate the value you bring beyond the market standard".

Getting into the press

The team has written a series of articles this year for Lloyd's List Australia, which has really boosted TT Club's credibility and recognition in the Australian market – and we have received extensive positive feedback from both Members, brokers and lawyers.

The articles include:

Box charges issue needs clarity (March)

Over the last two years, the topic of container detention (and resultant demurrage charges) has sparked lively legal discussions and inflamed the freight forwarding and importers' community in Australia. Anouk Sireude, Senior Claims Executive explained more.

Port operators need to expect the unexpected (April)

Many ports fail to maintain in-house expertise to handle the consequences of major incidents. On occasion, these can develop into extremely complicated, high-profile, socially and politically sensitive situations. Marcus John, Managing Director examined the risks facing the cargo handling industry and urged managers of port and terminal facilities to build effective, long-term contingency plans and risk management strategies.

Transport operators should avoid the 'liability shock' (July)

For many involved in New Zealand's transport industry – be they carriers by sea or road, storage companies or logistics operators – the first time they may pay close attention to the terms of their contract with a customer is when they are on the receiving end of a claim for loss of or damage to goods carried or stored. Alistair Irving of Auckland P&I Services advised on how to avoid the 'liability shock' with clearly stated and appropriate standard terms of operation.

We've written a series of articles this year for Lloyd's List Australia, which has really boosted our credibility and recognition in the Australian market.

Abandoned cargo: what are the risks to freight forwarders? (September)

The Sydney Team are seeing an increasing number of forwarders and warehouse operators facing situations of uncollected or abandoned cargo. Whatever the reasons; loss of market for goods, financial insolvency, or the consignee unwilling to pay for the cargo – costs can mount up. Kerry Woonings, Claims Executive identified the risks faced and offered a practical guide on how to mitigate losses and keep costs down.

All of these articles are available on the News and Events section of www.ttclub.com.

Loss prevention initiatives

The team rolled out two new initiatives during 2013:

Port risk matrix

An easy-to-use document to support port businesses with contingency planning. The matrix identifies the major incidents that could occur at a port – such as extreme weather, port of refuge or wharf damage – and the steps to be taken to mitigate the commercial exposures.

We developed and launched the risk matrix to support port businesses with contingency planning.

Action steps following berth or terminal equipment damage by ships

A document on the 12 steps that should be taken before a ship leaves port and after an incident occurs to ensure the best chance of a complete recovery of repair costs.



In support of these documents, the team hosted interactive workshops with Members and brokers where they provided claims scenarios and worked together to consider the most appropriate responses.

Feedback on the seminars included:

"We found the workshop innovative and purposeful. Many issues were identified, and we are now developing mechanisms to mitigate these risks."

"We really value this proactive, practical and constructive offering. The information relating to action steps has been incorporated into our claims manual, our global operations procedure, and formed the basis of a specific internal risk-bulletin to all our operations."

Award recognition

The team were finalists at the 18th Australian Shipping and Maritime Industry Awards in two categories: 'Safe Transport Award' and 'Maritime Services Award' for the Port Risk Matrix. On the night, attended by over 500 industry representatives, they received a 'Highly Commended Award' from Australian television personality Andrew Daddo who was hosting the evening in the Maritime Services Category. This was great recognition for an innovative initiative.



Marcus John collects the Highly Commended Award at the 18th Australian Shipping and Maritime Industry Awards

Sydney Profiles

The Sydney Team is made up of:



Marcus John
Managing Director
A qualified solicitor in transport and marine law



Laurence Jones
Global Risk Director
A qualified engineer with 40 years' experience in the operation of ports and terminals



Iain Sharples
Senior Underwriter
Originally a claims handler, Iain moved to underwriting in 2005



Chris Dent
Underwriter
Also from a claims background, Chris moved into underwriting in 2010



Claire Gorman
Assistant Underwriter
Has worked for TT Club for six years and is in the process of obtaining an ACII.



Anouk Sireude
Senior Claims Executive
Is qualified as a lawyer and worked as a claims handler for Maersk Line and Maersk Logistics (Oceania) claims handling office in Sydney before moving to TT Club



Kerry Woonings
Claims Executive
Qualified barrister and lawyer admitted in Western Australia

Network partner:
P&I Services Auckland

- Alistair Irving
- Neil Wheeler

Taking part in The Big Row

Three TT Club teams took part in an event on 11 September helping to raise money for the Chauncy Maples Malawi Trust.

Spitalfields Market in London was recently transformed for The Big Row, which saw 77 teams of 10 people rowing a total of 770,000 metres on rowing machines – together raising just under £500,000.

TT Club had three teams in the event:

- TT Youth (under 35s)
- TT Veterans (over 35s)
- TT Management

Each team achieved their target of rowing 10,000 metres and, in total, our three teams raised £13,443.

Why Malawi?

The event was staged to raise money to renovate Africa's oldest ship called 'Chauncy Maples' on Lake Malawi. When renovated, the ship will be a mobile clinic, bringing vital healthcare to remote villages in a country that has only 250 doctors for its entire population of 16 million.

Our three teams raised £13,443 for the Chauncy Maples Malawi Trust

Malawi is one of the ten poorest nations in the world, where the average life expectancy is just 50 and 78% of the population live in poverty.

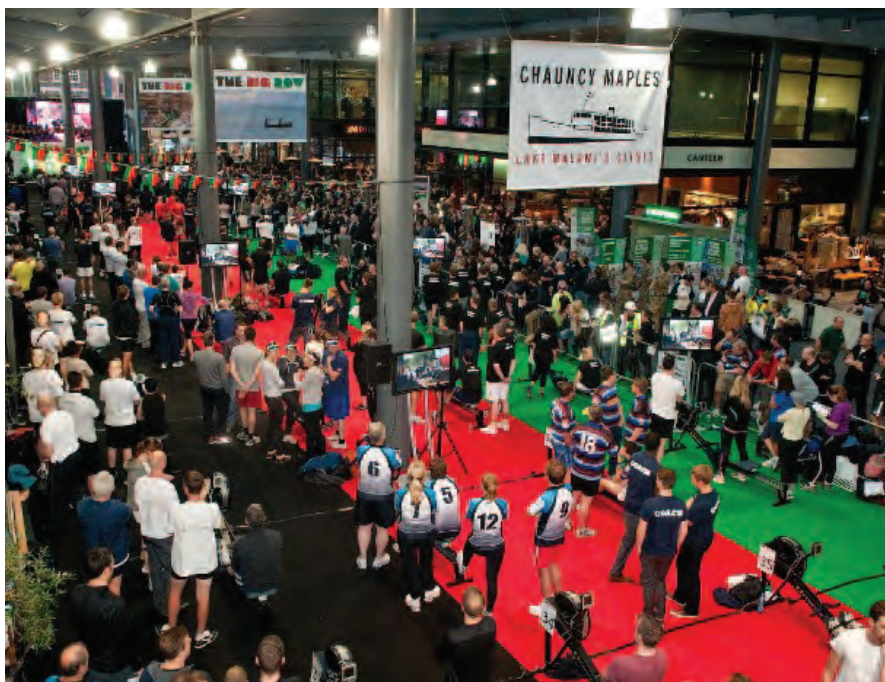
In places around the shores of Lake Malawi there are no roads and/or access to health services, which is why the waterborne mobile clinic is much-needed.

For more information on the charity or to donate to the project, please visit www.chauncymaples.org.

CHAUNCY MAPLES



LAKE MALAWI'S CLINIC



Top: TT Veteran's representing the colours of the Malawi flag. Bottom: The City of London comes together for a spectacular evening to raise money for Chauncy Maples

TT Talk round-up

Below is a summary of recent TT Talk articles. These, and more, can be found in the Publications section of our website. The Knowledge Store lets you search the articles by topic. www.ttclub.com.



Cyber identity – what you see may not be what you get

November: TT Talk 182

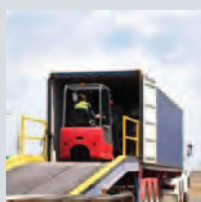
Around EUR 8.2 billion of cargo is stolen in transit per year. There is a marked trend in global organised crime posing as legitimate operators to facilitate the theft of high value cargo.



Spotlight: EU and US Sanctions against Iran

November: TT Talk 181

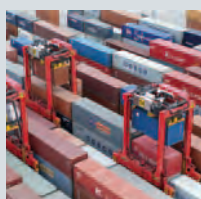
Despite significant political, legislative and judicial developments in the two months since Hassan Rouhani was elected President of Iran, the current EU and US sanctions against Iran remain by far the most onerous sanctions.



Too much concentration may be an emerging risk!

October: TT Talk 180

There has been much international focus on the accuracy of gross mass of cargo, as well as correct weight distribution in the draft CTU Packing Code. The capability of container floors is a necessary part of the equation.



Container weighing – control and enforcement

September: TT Talk 179

One aspect of the container weighing debate has concerned the way in which the port and terminal industry will participate. IAPH supported the proposed amendment to SOLAS, while terminals have sometimes seemed less enthusiastic. As the law comes into focus, what are the possible impacts for container terminals?



Has e-Day arrived?

September: TT Talk 178

The TT Club has confirmed approval of the IATA electronic air waybill and also followed the International Group of P&I Clubs in covering cargo liabilities arising from the carriage of cargo under the two approved electronic trading systems, Bolero and ESS.



Perishable cargo operations

July: TT Talk 177

International trade in perishable cargo is a growth area for container carriers, now accounting for over 90% of world maritime reefer transport capacity and making inroads to airfreight as well. As ever, reward can be countered by risk.

For further information contact the TT Club at one of its underwriting centres or at any point in the network

The TT Club underwriting centres

London

Through Transport
Mutual Services (UK) Ltd
90 Fenchurch Street
London
EC3M 4ST
United Kingdom

T +44 20 7204 2626
F +44 20 7549 4242
E london@ttclub.com

Hong Kong

Thomas Miller (Hong Kong) Ltd
Suite 1201-1204 Sino Plaza
255 - 257 Gloucester Road
Causeway Bay
Hong Kong

T +852 2832 9301
F +852 2574 5025
& 2574 5062
E hongkong@ttclub.com

New Jersey

Thomas Miller (Americas) Inc
Harborside Financial Center
Plaza Five, Suite 2710
Jersey City
New Jersey 07311
United States of America

T +1 201 557 7300
F +1 201 946 0167
E newjersey@ttclub.com

Singapore

Thomas Miller
(South East Asia) Pte Ltd
61 Robinson Road
#12-02 Robinson Centre
Singapore 068893

T +65 6323 6577
F +65 6323 6277
E singapore@ttclub.com

Sydney

Thomas Miller
(Australasia) Pty Ltd
Suite 1001, Level 10
117 York Street
Sydney NSW 2000

T +61 2 8262 5800
F +61 2 8262 5858
E sydney@ttclub.com

The TT Club claims network offices:

Antwerp

T +32 3 206 9250
F +32 3 206 9259

Auckland

T +64 9 303 1900
F +64 9 308 9204

Barcelona

T +34 93 23 09310
F +34 93 23 09311

Buenos Aires

T +54 11 4311 3407/09
F +54 11 4314 1485

Dubai

T +971 488 10167
F +971 488 10955

Durban

T +27 31 368 5050
F +27 31 332 4455

Genoa

T +39 010 83 33301
F +39 010 83 17006

Hamburg

T +49 40 36 98 180
F +49 40 36 98 1819

Moscow

T +7 495 215 21 95
F +7 495 215 21 96

Mumbai

T +91 22 6129 6800
F +91 22 2284 2356

San Francisco

T +1 415 956 6537
F +1 415 956 0685

Seoul

T +82 2776 4319
F +82 2771 7150

Shanghai

T +86 21 6321 7001
F +86 21 6321 0206

Singapore

T +65 63 23 6577
F +65 63 23 6277

Taipei

T +886 2 2736 2986
F +886 2 2736 2976

Tokyo

T +81 3 5442 5001
F +81 3 5442 5002