



The Swedish Club

Triton

No. 2 - 2015

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Random events

PHOTO: Jonas Ahlsén

Dear members and associates,

'Random events and game changers in marine insurance' was the theme for the panel debate at Members' Day preceding the AGM in June. Distinguished speakers and panel members delivered interesting thoughts and reflections. One of the suggested conclusions was that the marine insurance market is robust, resilient and prepared to absorb losses whatever size they may be. Little has happened historically in the insurance market in the aftermath of significant casualties. Whilst tragic losses are always unwelcome news, we know, as a matter of probability that they do occur.

High profile accidents are many time 'instigators' for legislative initiatives resulting in new rules for the construction, manning and safe operation of ships. The Exxon Valdez oil spill in 1989 led to OPA 90 and the phasing out of single hull tankers. The capsizing of the Herald of Free Enterprise in 1987 led to design improvements of RoRo ships and the International Safety Management Code. It seems to me that the impact of these large losses is so much greater for shipowners than for marine insurers.

With random events we mean low probability and high severity incidents – cases with major consequences. Those involved in insurance call this 'tail events'. The challenge for an underwriter is to price the exposure adequately across an insured portfolio. These events will occur – we just don't know when, where and to whom.

Practical loss prevention focuses on frequencies – types of claims with a higher likelihood of happening. The initiatives

Lars Rhodin
Managing Director



are aimed at behaviour that we expect more likely to result in claims: cargo handling procedures, pre-employment medical examination procedures and the like.

Random events in this context are claims arising from navigation. Collisions, groundings and contact incidents remain 50% or more of the total cost of Hull & Machinery and P&I claims. Maritime Resource Management (MRM) does not address behaviour per definition. It is tailored to address attitudes that may result in the most common behavioural shortcomings, i.e. not following adopted procedures and the failure of communicating in the decision-making process on-board. The MRM training programme is not about pointing fingers. It is about how we can work together to reduce the cost of casualties. Casualties cannot be eliminated. Right attitudes can reduce 'random events.'

The debate on 'Random events and game changers in marine insurance' is covered in this edition of Triton, together with the other features and social activities of the AGM events in June. I hope you enjoy your reading.



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Doing 'the right things' right

"Management is doing things right; leadership is doing the right thing," said Lars Rhodin as he started his speech at the Club's 143rd Annual General Meeting (AGM) in Gothenburg on 11 June, with a quote from management guru Peter Drucker.

"Applying that to The Swedish Club, our leadership comes from the board and that tells us to do the right thing – and as the

4.1 million. He added that it was a benign claims year and the good results reflected the effect of the diversification policy and the strong marine operating performance.

The Club's investment performance reflected the impact of currency movements – for example, as the US dollar gets stronger, so assets in other currencies become less in dollar terms. At present, the Club's assets are split into 80% bonds and 20% equities.

The underwriting performance shows a total net combined ratio of 86%, while the net combined ratio for Marine was 71%, Energy 98%, P&I 95% and FD&D 72%. Over the past four years, while the world fleet has grown 22.6% in tonnage, The Swedish Club's entered tonnage has risen by more than 35%.

Claim trends

He went on to discuss trends in claim categories in P&I. In particular, he said, personal injury and illness claims have increased. "Regarding crew illness, we are seeing hypertension, high blood pressure, diabetes and heart failure. It is quite clear that most of this should be detectable – and there are things we can do about that together."

Turning his attention to the 'random events' theme and discussions, he said: "In insurance language we are talking about low probability-high severity actions. We know that they are going to happen, but we don't know where and to whom. Last year there were 11 Pool claims notified by the International Group Clubs. So far the group has seen two in 2015.

"That is why we are focusing even more on our MRM programme, as we recognise the importance of the right attitude and behaviour." Loss prevention remains at the heart of The Swedish Club's focus, he explained. The analysis of statistics and inter-

management we try to do it right," he said.

He then followed up with a quote from Ernest Hemingway: "Hesitation increases in relation to risk, in equal proportion to age. The older we get, the more risk-averse we become," he said. "We are in the risk business – we need to take risks and I don't think we have ever taken as much risk onboard as we do today. We are on this journey, this wonderful journey, and there is no finishing line – so we must love the journey!"

The year in review

2014 was another good year for The Swedish Club, with the underwriting result outperforming the financial performance, he said. The Club's strong performance delivered an overall surplus of USD 18.4 million and free reserves reached a high of USD 186.3 million. P&I volumes increased by about 10% and the Club attained an A-rating from A.M. Best.

"We continued to diversify – but whenever we do that, we do so with a purpose, and the purpose is to serve you. We will not do uncorrelated diversification – there should be a need from the shipowner."

Looking at the overall figures Lars Rhodin pointed to an excellent USD 23.1 million underwriting result, but a 'slightly negative' financial result, at minus USD



active root cause analysis are key parts of that. "We look at where we have the highest frequency of incidents and what we can do about it."

SCOL – Swedish Club On Line

"The Swedish Club On Line System (SCOL) is the extranet system we introduced in 2000 – an interactive system where members can look at claims, benchmarks, and so forth. This is very much a state-of-the-art system, featuring monthly reports through our notification system. Our latest upgrade to include a number of facilities in this program in relation to claims information, was very much promoted and instigated by a member that wanted to have additional functionality – we say, thank you for pushing us!"

Member feedback

Feedback from members continues to drive the Club forward and the latest feedback figures, from 6 (excellent) to 1



– I would quote Churchill: ‘It is always wise to look ahead, but difficult to look further than you can see.’

(poor) are encouraging. On underwriting services, 98% of members rated the Club at 4, 5 or 6, while on the claims side 97% rated the Club 4, 5 or 6. “We take that as a good indicator that we are doing something right,” he said.

Changes in The Swedish Club Board

The Club appointed one new director at its AGM – Lim Sim Keat of Dry Transport Logistics Division, IMC Industrial Group, Singapore.

Kim Kyung Soo of IMC Corp resigned at the AGM after six years on the Club’s board.

Looking to the future

“We are now looking to the future – although when considering the outlook for 2015, I would quote Churchill: ‘It is always wise to look ahead, but difficult to look further than you can see.’ I return to the purpose of The Swedish Club and our direction.”

“Our mission is to be a leader in the international marine insurance market and, on a mutual basis, to provide shipowners, charterers and ship managers with high-quality, cost-effective insurance solutions and insurance-related services – this is why we exist.”

In terms of goals and strategies, the Club’s priorities are solvency, combined ratio, return on equity, P&I volume growth and exposure control; in its membership, satisfaction levels and member quality are key; and in its staff, satisfaction and levels of sick leave are key issues to monitor.

He stated that for the future, the key topics are controlled growth, diversification with a purpose, acceptable risk levels, consistency and added value.

“Looking ahead, the environment is very, very competitive. Pricing is soft – it is a buyer’s market, no doubt about it. It is not good enough to be average – we know we have to be better than average.” He emphasised that The Swedish Club wants to

be seen as a traditionally managed Club while still being progressive.

“We need to follow the market. We need to get involved with our members that share the values of the Club. We have a lot to offer. We know there will be change and that experience and knowledge will be hugely important in the future. We always need to grow a bit more than the market, because otherwise we will shrink. We need diversification with a purpose to serve shipowners.”

“We are in the business of taking risk – we need to take more risk but our business is also about consistency, being consistent about what you do and what you deliver, while continually adding value. We are ready to meet the future and we will keep that brand value. I would like to conclude by saying thank you for the opportunity of serving you all and we look forward to meeting the challenges ahead.”



How does one define **random**

Justin Gardner, Executive VP with Willis Re set the scene with the following statement: “Random means lacking a definite plan, purpose or pattern. Randomness is the lack of pattern or predictability in events. And a random walk is a mathematical formalisation of a path that consists of a succession of random steps.”

He raised plenty of laughs when he looked at random and not so random events that made the news, including a Clinton running against a Bush in Presidential elections – twice; scandals at Euro-led sports bodies; the success of new Apple products and even historic USA world cup victories.

“Randomness is really a lack of predictability. Lack of predictability effectively creates volatility; volatility, very simply put, is deviation from the average, and that volatility effectively creates risk. Risk is why we buy insurance – without volatility and risk, there is not much use for insurance!”

Next, he gave his definition of a game changer

“A recently introduced element or factor that changes an existing situation or activity in a significant way, major events that create far-reaching change, not just affecting premiums short-term, but really changing the future and direction of the industry”.

He said: “In insurance, the game changers have historically been major loss events, those that have been a tipping point in terms of moving from one market cycle to the next, that led the market to change in terms of the products it offers, the way it sells those products or the way they are structured.”

Tipping points in the insurance sector

He identified a number of tipping points in the overall insurance sector – including Hurricane Andrew, one of the first ‘mega casualty’ events; September 11; and the 2008 financial crisis.

More specifically in the marine insurance market, he listed:

THE EXXON VALDEZ – ‘obviously not only a very large loss but it created the OPA ’90 regulatory framework and changed the structure of international reinsurance’;

THE HERALD OF FREE ENTERPRISE – ‘a tragic loss – not gigantic in monetary terms but because of the nature of the loss and people being from a well-developed place, which led to the development of the ISM Code’;



ness?

KEYNOTE SPEAKER Justin Gardner, Willis Re

PHOTO: Jonas Ahlsén

THE PIPER ALPHA – ‘a very large loss of an offshore platform, which changed the structure of the LMX market’;

SEPTEMBER 11 – ‘really changed the market in a myriad of ways’;

KATRINA/RITA/WILMA – ‘three hurricanes in one year, leading to full integration of catastrophe modelling for marine insurance’.

Major events’ impact on the industry

The extent to which major events impact on the industry is also tied into the background economic situation, he explained – statistics show that in less stable times, the market is heavily susceptible to one large event creating a loss for many parts of the industry. “We are now back to a period of more benign inflation and more consistent results, and a period where individual events have less impact on the industry as a whole.”

Can individual marine loss events be game changers in today’s market?

The Costa Concordia and the Deepwater Horizon were two of the three largest events the marine insurance industry has seen in its history – “But yet I would argue almost nil impact in terms of other factors such as changes in the structure of the market, change in terms of how the industry conducts itself and how it sells business. There was some amount of premium response but even that was insignificant.”

Factors that drive game changing events include those defining the type of event – property, people and environment, as well as the size of an event, the scope of an event and also other exposures with unexpected correlation, geography and timing, he said.

Do today’s ultra large container vessels bring with them the potential for a game changing event if there was a loss? Not in his opinion.

Allowing for cargo values based on USD 100,000 per teu, claims for an 18,000 teu vessel could be as high as USD 1.8 billion – add in the potential removal of wreck and hull costs and the total claim could reach well over USD 2 billion, he said. “But I would argue that unless it happens after about five or six years of very, very mediocre results, this would have very little impact as a game changer.”

Heading back into history

He reminded the audience of two catastrophes that put today’s events into perspective.

First, the Halifax Disaster of 1915. A French ship carrying wartime explosives collided with a Norwegian vessel, caught fire and exploded, creating the largest man-made explosion other than nuclear weapons. More than 2,000 people were killed and 9,000 injured; the entire Port of Halifax was levelled and 12,000 buildings destroyed or significantly damaged. This event, if it happened today, would lead to an estimated USD 5-10 billion of losses.

Second, the Texas City Disaster of 1947, a very similar event. Fire broke out onboard a vessel loaded with ammonium nitrate, which moored next to a warehouse full of fertilizer and another vessel full of ammonium nitrate. In the chain reaction of explosions, 600 people were killed and 2,000 injured. More than 1,000 buildings were destroyed, including the entire port infrastructure, oil refineries and chemical plants. This event would lead to claims of more than USD 5 billion – “and would be a game changer, with the interaction of marine and property and overall insured business”.

And what of other game changers today?

One on his list was ‘Lack of loss’ – 2014 was Florida’s ninth consecutive hurricane season without a hurricane landfall, the longest stretch of consecutive years since 1851 that no hurricanes have hit the state.

He highlighted regulatory ‘events’ – Solvency II and particularly sanctions, a huge problem for the industry.

And then there is technology – ‘big data’ and innovation. “More information has been collected in the insurance industry in the last two years than in the entire history of the industry before then,” he said. “How that information gets used is definitely going to be a game changer.”

Innovations such as autonomous vehicles, drone ships and usage-based insurance (UBI) technologies could all have major consequences.

And then there are the more alarming emerging risks – cyber security, pandemics such as Ebola, economic events such as the 2007-08 financial crisis, and geopolitical instability – “there are more refugees now than at any time since the Second World War.”

Justin Gardner then left the audience with a final bombshell

“The risk of an asteroid hitting the earth is much higher than we thought. A global network that listens for nuclear weapons detonations detected 26 asteroids that exploded in the Earth’s atmosphere from 2000 to 2013, with the force of a nuclear blast. And you only need a 130 ft asteroid to destroy a city.”



Game Changers or Simply N

Xavier Villers, Head of Marine at Miller Insurance Services, entertained the audience with a roll call of game changers throughout the history of insurance. He started the ball rolling with the Emperor Justinian, who effectively recognised the concept of marine insurance, when he codified all of Roman law in 533 AD.

“At that time there was no difference between usury and insurance,” he explained, “so when he codified the law he set strict maximum rates for interest. However he applied a generous 12% to sea loans, an early form of marine hull insurance. Were you an underwriter in those times, Justinian’s decree was something of a game changer,” he said.

The largest claim ever

He then jumped forward more than 1,000 years, to the First Battle of Lagos in 1693, in which 100 vessels – nearly a quarter of the Anglo-Dutch fleet – were destroyed by French privateers and pirates in an ambush off Portugal.

“When news reached London, it was a disaster. It was then the largest claim ever in marine insurance. Nineteen London underwriters were unable to meet their obligations.”

Among them, Daniel Defoe, bankrupted by insurance, decided to try his hand at writing – ‘perhaps a better legacy for all of us!’ said Villers.

“In the immediate aftermath of the battle, rates in London for a single voyage jumped to 25%. We don’t know how long it lasted but no doubt at the time it seemed something of a game changer.”

And more recent large claims

Coming forward to the lifetimes of many in the room, he then put forward the Torrey Canyon disaster of 1967. When this vessel ran aground off the southwest coast of the UK, it was the biggest oil spill ever – 100,000 tonnes of crude spilt on French and British coasts.

“I can just remember – a very early childhood memory – watching rather grainy black and white coverage on TV of RAF fighter bombers dropping napalm on the slick, trying to make it catch fire. No one knew how to deal with such a slick. Certainly no one knew who should pay for clearing it up – should it be the owner of the ship? The manager? The charterer? The cargo owner? Or was it just bad luck on the national states where the oil happened to be spilt? Shortly after this, in 1969, the Civil Liability Convention came into force, governing oil pollution spills in very large parts of the world.”



KEYNOTE SPEAKER **Xavier Villers**, Miller Insurance Services

PHOTO: Jonas Ahlström

Much more recently, the Exxon Valdez was the catalyst for the introduction of the OPA 90 statute. And the Piper Alpha platform disaster in the North Sea in 1988 – possibly the largest ever manmade loss – led to the ‘unravelling of the weird game of pass the parcel in the London marine insurance market, known as the LMX spiral’.

And then, 9/11 led to a wholesale revaluation of the way the world looked at insurance.

Were they really game changers?

“All seemed game changers – and yet, were they really? I had never heard of the Smyrna disaster (the Battle of Lagos) before I started doing research for this presentation,” he said. “And I rather doubt anyone else had either. I suspect some of the younger members of the audience haven’t heard of the Torrey Canyon, either.”

“The more I thought about it, the more I came to the conclusion that large claims in themselves don’t really change anything – and if they do, it’s not for long. These aren’t game changers – they are really just punctuation marks along the narrative history of insurance.”

So if major events aren’t themselves game changers, do we have such things as game changers in insurance? “Yes, but I think what they are is more to do with us, to do with human beings, to do with our genius, our invention, our inspiration.”

As examples:

CUTHBERT HEATH: born in 1859, the son of an admiral, he went to work at Lloyd’s when he was 18. He became an underwriter at the age of 21 and shortly thereafter established his own syndicate. “This man was an absolute genius. He was the first underwriter to offer burglary and hurricane insurance; he reached out to the general public, offering retail insurance and also smallpox insurance; he offered employer’s liability and worker’s compensation insurance; he insured against Zeppelin attacks in World War 1 and, most notably, he introduced excess of loss reinsurance to the London market.”

MALCOM MCLEAN: born in 1914, the son of small-time North Carolina farmers, he had a strong entrepreneurial streak, born out of tough times in the depression. Watching the laborious process of cargo being discharged from a vessel – bundles being unloaded one by one and stacked on the dock waiting to be loaded on to a lorry – he came up with the idea of the container. Known as the ‘father of containerisation’, he converted an oil tanker to carry 58 shipping containers from Newark to Houston – that voyage, in 1956, is generally regarded as the first con-

tainer voyage ever. “The rest of it is history, as they say, and the first fully cellular ships were built in the 1960s. Cargo insurance has transformed since containerisation and also homogenised. His invention was a game changer for marine insurance.”

And finally, a glance into the future

He considered the impact of catastrophe bonds. “These are getting more complicated as the product develops – for example, extending to excess lottery winnings in August 2014 and then, in May 2015, to cover US tropical cyclones, earthquakes, winter storms, wildfires, volcanic eruptions, meteor impacts etc.

“There are two ways of thinking of this. Either this is just a natural progression – as life goes on, products become more complicated. Or you can take another view – that catastrophe bonds have become so complicated that in many cases the original perils which they seek to provide cover for are now so obscure that the buyers of the bonds have lost sight of the original risk.”

Bundling up many events into a single bond has been likened to the subprime mortgage crisis of 2008. But the other view is that these bonds provide a source of capital for insurance and reinsurance in certain parts of the world where this cover would have otherwise been difficult to obtain.

“At March 2015, USD 21 billion of capital was outstanding in catastrophe bonds – a very small figure in comparison to the world’s insurance business, but it is growing fast and I am absolutely certain it is going to grow into almost every area of insurance we deal with, including marine.”



Smart companies **make shifts**

How are you going to play to win the future? Can you change the game and make your business and employees thrive before someone else eats your market share? Are you prepared for the shift that the future demands? These are the questions asked by Jonas Ridderstråle, management guru and keynote speaker at this years' Annual General Meeting.

- The painter Pablo Picasso – who was an excellent portrait painter and sketcher – established cubism in 1907 and forever changed our perception of what is art. He was a game changer.
- The American, Dick Fosbury introduced the flop style in 1965 and revolutionized the high jump. He was a game changer.
- The American president Ronald Reagan went to Berlin to deliver a speech to the people in 1987 and declared “Tear down this wall”, addressed directly to the Russian president Mikhail Gorbachov – and we all know what happened on 9 November of 1989. Reagan was also a game changer.

The common denominator?

They all had a short moment when they were perceived to be different and unique, before they were accepted and their ways of doing things became norm or at least part of the normal range. When that point is reached, it's about time to release a new idea, like Apple did with iPhone...or fade away, like Nokia with its traditional mobile phone.

A melting example of creative destruction

Don't expect it to be easy just because you found a game changing cash cow, because behind every bright idea awaits a new better one that will kill yours – today on everybody's lips, tomorrow obsolete. This is what the Austrian economist, Josef Schumpeter, called creative destruction.

Jonas gives an example: Albert Einstein developed the theory of relativity and by that destroyed all former knowledge of physics. He changed the game and created a shift. This process has three



Carola Weidenholm
Corporate
Communications

components: first the game changer transforms the outcome of a situation and redirects our future, this is followed by the establishment trying to resist the change

before adapting to the new environment. Finally the market transforms to the new order and the game changer becomes accepted by the establishment.

Today new ideas are arriving at an increasing speed and the pace will only escalate, so you have to be proactive to keep up.

“Ideas today are like ice cubes placed in the desert; if you don't act quickly enough you end up with just wet sand,” says Jonas, and continues: “but at the same time this creates new opportunities more frequently.”

An illustrative example of this is the development of communication technology. It took about 70 years for the traditional telephone to find its way in to 90% of American homes. The mobile phone did the same trip in 15 years!

Adaption, attraction and attention

The market is constantly evolving and you have to reinvent your offer to stay alive. Survival of the fittest, as Charles Darwin said, meaning not the strongest or most competent but the ones best at adapting to the environment are going to win.

Attraction is of essence too – it might not be logic but it works. Here we also have something to learn from Apple. It is not like the iPhone is a far better mobile phone than its competitors but it's perceived that way, which sells. Take the male peacock as an example: he can't hide very well, he can't move quickly and in spite of the fact he is a bird he can't even fly. So why is he looking like that? It's simple; all female peacocks find him attractive!

When industrialism arrived in the late 18th century, sole production of things and capital was promoted, while innovation and collaboration found themselves in the back seat. Gradually we

number 23 worldwide and top 5 in Europe amongst the “Global Top 30 Management Gurus”.

Books: he has written 3 books together with Kjell A. Nordström; the first, named ‘Funky business’ was published in 2000 and was then followed by ‘Karaoke Capitalism Management for Mankind’ and ‘Funky Business Forever – how to enjoy capitalism’. His latest book, co-

written with Mark Willcox, has the title ‘Re-energizing the Corporation: how leaders make change happen’. His books have been translated into 30 languages and published in more than 50 countries. He is now working on his fifth book ‘Game Changers: playing to win the future’ which was also the theme on his seminar during this years' Annual General Meeting in Gothenburg.

PHOTO: Jonas Ahlsén



IN BRIEF

Name: Jonas Ridderstråle

Age: 48

Background: Jonas has an MBA and a PhD in international business. In 2007 he received the Italian Nobels Colloquia award for ‘Leadership in business and economic thinking’. He is currently a visiting professor at Ashridge Business School in the UK. In 2014 he was ranked as

happen

KEYNOTE SPEAKER Jonas Ridderstråle



PHOTO: Jonas Ahlsén

"Take the male peacock as an example..."

saw a shift to what Jonas Ridderstråle calls "Nerd-world", where knowledge rather than labour is the unique selling point. In recent decades, the challenge for companies has been to attract the right talent and make them thrive. But this is about to change.

Next in line is what we can call attentionalism. In a society where the information flow is escalating at an increasing rate by the second, you have to be able to focus your attention on what matters. To separate the wheat from the chaff is the selling point of tomorrow.

"I have some good news: you are a bit smarter than your parents and your intelligence will rise by about three IQ points in ten years' time. The bad news is: knowledge and information today grows at a pace that no one can keep up with so you have to learn to pick out what's necessary," says Jonas.

This will impact the way companies have to act when it comes to finding the right employees in the future.

The female factor

However, globalisation is the most powerful shift we are experiencing. Today the majority of the world's middle class lives in the

western world, but in about ten years most of them will live in Asia instead. This will change the buying pattern of the world and to survive, companies need to be prepared. What is in today may be out tomorrow.

More and more people around the world have financial and personal freedom. One sign of this is the increasing number of single households. We do not believe in the old family institution anymore, which changes our purchasing patterns and shifts the market to new requirements.

According to Jonas Ridderstråle women are also the future. As we live longer and a woman only gives birth to 2-3 kids these days, she now has time for education and a working life, which in turn has given her financial freedom to buy what she wants.

"Still the organisations and the market are built by men for men, but this will be very different in the next 10-15 years," says Jonas. "The companies focusing on female needs and the female market will grow at the expense of those who stay male-oriented."

So if you are an Asian middle class single woman with just a few kids, congratulations on owning the future – at least as we see it today.





Debating key industry issues. From left: Lars Rhodin, Xavier Villers, Justin Gardner, Richard Tomlin, Chris Goumas and Tord Nilsson.

Panel discussion: **Random Eve**



Sean Moloney
Managing Director
[Elaborate Communications, UK](#)

Debate, discussions and humour made a fine mix during this year's panel session at the Club's AGM. Moderator Phil Parry, co-founder of the maritime recruitment consultancy Spinnaker Global and founder of the Maritime HR Association, was joined by panellists Chris Goumas of Arion Enterprises, Tord Nilsson of The Swedish Club, and Richard Tomlin of Atrium.



Phil Parry, Spinnaker Global

"We have all been aware of many types of game changers throughout history and the speakers have looked at some of those today," said Phil Parry. "But one thing that hasn't been mentioned is mutualisation, when groups of owners got together to work out what

they would do about those areas of risk and insurance that they couldn't buy in the marketplace."

"That was quite a significant shift and of course we do occasionally see mutualisation coming under attack, particularly from the competition authorities in the EU. From my perspective of someone who has observed the P&I market throughout my entire career, I think if the EU competition authorities did succeed in destroying the P&I sector, it would be a terrible shame."

Reflecting on the work he had put in over previous months helping his son with GCSE history revision, he said he had learned one key point: "We just simply don't know what's round the corner ..."



Chris Goumas, Arion Enterprises

Chris Goumas also raised a laugh from the audience, opening his remarks with his recollection of watching the movie 'Trains, Planes and Automobiles' with his eight-year-old son. "During the course of this film, John Candy drove Steve Martin to despair and he replied: 'I would rather be at an insurance seminar than spend time with you.' At this point my son turned to me and asked quizzically: 'Dad, you're in insurance, aren't you?' I am glad to say that my son is now very happily employed as a Lloyd's insurance broker!"



Moderator Phil Parry.



PHOTOS: Jonas Ahlsén

nts and Game Changers

“We live in a world where many political influences have changed the way shipping is run, particularly over the last 30 years,” he said. The arrival of the ISM Code following the Herald of Free Enterprise disaster was one example.

However, he stated: “Losses such as the Costa Concordia and the Rena developed beyond expectation, but in fairness the losses seem to have had very little impact on the market as a whole and seem to have been absorbed without too much trouble.

“I remember when I started in the insurance business in 1970, we were insuring newbuildings at that time for very many times the premium for which we are insuring the exact same types today. It is an example of how capacity has come into this market and allowed the current competitiveness of the environment.”

“Again, it is quite bizarre – the liability market within the International Group continues to increase the limits of cover and I fear at times they are becoming a target for these unreasonable claims that are occurring now. In effect, we are looking at new laws, new regulations, and you now have the new Wreck Removal Convention coming in and creating more and more stress on the industry.”

The Costa Concordia created a claim of GBP 1.6 billion for wreck removal alone, he pointed out. “How would the commercial market respond to that? Could or would they pay such amounts of money as the International Group paid? The answer is no, so where do we go from here? Do we allow the increased liabilities to develop? If we look at the International Group, is it necessary to offer these limits? Are we encouraging people to make claims on this industry?”

“The real game changer,” he said, “is the crew.” “I believe that in the long-term, training and education of the crew is of the utmost importance.”

The Greek economic crisis could create opportunities to source

good quality crew, he said. “For teenagers in Greece today, it is not going to be easy to develop a worthwhile career. Going to sea is an option and it is an opportunity for them. I honestly believe that P&I Clubs should contribute to the efforts in this respect.”



Tord Nilsson, The Swedish Club

We talk a lot about random events and I think there is a bit of a misconception about what it means.

To insurers, random events are only in part, random. We know they are going to happen, we just don't know to whom, when and where, and what the financial impact will be. Through modeling, we know what the expected frequency of claims will be and we also know that the actual outcome may be different from what we have modeled which is why we have reserves to cater for years that will only occur one in 10,000. So random events are more random to the people they happen to than to us as insurers.

Let me give you an example. In this room we have 225 people. The likelihood of one of you being hit by a random event is 1 in 225, or about 0.45% – the same likelihood as a shipowner having a hull & machinery claim above US\$3 million. [Everybody was in-

↳ continues on page 14

↳ continues from page 13

vited to lean forward and check under their seats – because under one seat was taped a Euro Lottery ticket with four chances to win.]

To the winner of the lottery, this is a random event but to me as an organizer of the lottery, it is not. In much the same way major accidents are not random events to insurers but may feel like random events to the ship owner affected.

I want to talk about randomness of jurisdiction and the Euro Lottery ticket is a good example. In large claims a random factor in determining how expensive a claim will be, is in what jurisdiction the claim happens. A large claim in the US is very different to a very large claim in Sweden. To the person who found the Euro Lottery ticket under their seat, don't get too excited if you win because under Swedish law we have to register when we buy Lottery tickets. Unfortunately, your ticket is registered in my name so I would get all the money even though you hold the ticket. An example of the randomness of jurisdiction.



PHOTO:Jonas Ahlsén

Richard Tomlin, Atrium Underwriting

"I thought I would talk about hull and the hard market – although I know the two things don't go hand-in-hand," said Richard Tomlin.

"When was the last hard market? The last truly hard market was in the mid-90s. Think about it for a minute. Twenty years ago they were uplifting rates post World Trade, but there has not been a hard market since then. There is a whole bunch of people in this room, we'll call them the over-50s, who are five to ten years off retirement and once they're gone - if there isn't another hard market in that time - you will have a generation of brokers and underwriters worldwide who will never have seen a hard market."

What does that mean? "Well, if you go back to the 90s, the underwriter actually held sway. There was true underwriting, when talented underwriters came to the top."

Last year, he said, he was asked what he would do in a hard market. "I replied that it is unlikely I am going to see another hard market before I retire. So you have to underwrite in the current market."

The concern would be, depending on what the game changer is, or what the event is that might create a hard market, are we going to have the skills sets and the people of the next generation that can take advantage of it and actually give the clients what they need, some proper underwriting decisions. "I think if that doesn't happen, that will be a game changer. We will all be staring at our models and wondering what to do next. I just leave you with that thought," he said.

Summing up the panellists' comments, **Phil Parry** picked up on Richard Tomlin's point about 'proper underwriting'.

"One of the things we hear a lot about in terms of why losses occur is the human element," he said. "I spend a lot of time looking at the leadership and management failings in our industry and they are what lead to the loss of morale and the poor working practices on board ships. But if you can't underwrite those issues, then are we ever going to have the impetus that requires those things to change, unless it's legislation? Do we just require legislation to make us do things?"

He asked the audience: "Does anyone in the room feel that the truly good operators, the ones that look after their crew and operate in an ethical fashion, ever get the credit they deserve, whether in reduced insurance premiums or better return on investment?"

The response was mixed, although it was recognised that such operators and managers ultimately do have their reward in terms of better staff retention, better morale in the organisation and ultimately therefore better accident records, and hopefully a reputation that encourages charterers and counterparties to deal with them.

He remembered receiving a phone call about 15 years ago when he was still involved in maritime law; the company, an agricultural bulk specialist, told him that their cargo insurers were not prepared to insure their cargoes any longer if they didn't start putting them on decent ships.

"That was the forerunner of RightShip and the vetting of tankers. Now we are used to vessel vetting. But that is the only example I can think of, of the underwriter having a little bit of power."

Chris Goumas commented: "I think loss prevention is the way to go for underwriters now. They are not going to get rates up. They have to do more loss prevention to minimise the risks and make more on the risk. So the crew is the answer to that – good crew, well trained crew. Keep working on that and you will have fewer accidents. That is where the savings are going to be."

Richard Tomlin agreed: "Start asking questions about the crew. Find out these things, get close to your client and do it better than the other guys."

Phil Parry concluded: "One thing I have gleaned from this conversation and from my career in the industry is that frankly human nature is never going to change. That really would be the game changer! But it is never going to change. We are all fairly selfish and we all do things for our own good."

"I hear these conversations all the time: shipowners are crazy, why are they ordering new ships? But of course, whose responsibility is it to act for the collective good of the industry? Ultimately I think we have to be forced into doing things because generally we don't act for the greater good."

Lars Rhodin summarised the discussions. "The market average does not allow you to make a return, but we are all better than average – we know that."

"The market is very efficient and pricing is very competitive, and it's important to find the right partnerships," he said. "But particularly, we have something to offer and we know what we need to do in order to be better than average."



AGM PROFILE

Education and training is the key

“Money spent on crew education and training is money well spent,” says Chris Goumas. “I don’t see an alternative. We simply have to put more money into training. If you can stop someone doing something wrong, you can reduce accidents and logically reduce the size and number of claims.”

From an insurance point of view, in a soft market with high capacity and rates likely to remain under pressure, loss prevention is probably the only way to improve financial performance, he believes.

“If we manage to better train and educate young cadets at sea, we will see better results in insurance. Eight out of ten insurance incidents are down to human error – in other words, it is mistakes made by the crew that are at the root of most problems.”

Chris has been in the marine insurance market for 45 years – and has spent the last 38 years in Greece. As he puts it: “Marine insurance has always been around and it always will be. I started my career in marine insurance and I will end it in marine insurance – you have to like the job to stay that long!”

He started his career with a small Lloyd’s broker in 1970, which was taken over by a larger organization, and Chris was subsequently sent to Athens to head up its Greek office. He went on to found Poseidon Average Adjusters in 1983 and then co-founded Arion Enterprises in 1988.

“Arion is probably one of the largest marine brokers here in Greece,” he said. “We have been a big supporter of The Swedish Club for a number of years – the Club’s Greek office is literally two minutes down the road from ours, and we are very close to the team.”

It goes without saying that the marine insurance market is tough right now and, for Chris and his team, there is the added challenge of Greece’s economic crisis.

However, he says: “The Greek market is strong from a shipping perspective – it always has been, and I think it will continue to be so.”

Of course, the Greek shipowning market is no different to others in that it continues to evolve and change.

“The way that shipping is being conducted now is not like it was in the 1960s, 70s or even 80s,” he said. “The people are



PHOTO: Jonas Ahlsen

changing. The way shipping is financed is changing. People are going to the stock market or venture capital for their money. Some shipping companies are becoming bigger and the smaller ones are probably struggling to extend, purely because they can’t get traditional finance – and if they do get finance, it is in quite an expensive way.

“There are a few companies that have over 100 vessels now and that wasn’t really known in Greece a few years back. We are seeing much more consolidation. I don’t know whether traditional finance will come back in the near future – I hope it does, because it frees the market for smaller players.”

With a few exceptions, Greeks were not traditionally owners of newbuildings, he pointed out. “But times started changing after 2000 when the market started to pick up and everybody started to order newbuildings. We have seen people coming in with venture capital money and ordering 40 to 50 ships just like that. You have to ask what that is going to do to the market in the long term – and the only answer is that it will affect the freight market, which will drop.”

It’s true that the capital providers are not making the money ‘in any shape or form’ that might have been expected some years back – they might get a few points’ return. “But that is still a better return than they will get anywhere else in the current climate.”

And returning to the topic of Greece in particular, he says: “If you are growing up in Greece, prospects are not good and finding a job will not be easy. We could try to encourage young people to go to sea – a great option for a career.”



AGM PROFILE



PHOTO: Jonas Ahlsen

Xavier Villers

Xavier Villers started his career in 1980 as a marine insurance broker – and marine insurance has been the focus for almost all of his professional life since then. Today, as Head of Specialty at Miller Insurance Services, he oversees the company’s marine, energy and special risks business.

“My task is encouraging my colleagues to take a broader view of their clients’ interests and to look at their overall needs, rather than in terms of the particular products they sell,” he says. “I think some companies make the mistake of arranging themselves in silos, and that won’t fit all clients – you have to be flexible.”

Xavier joined Miller Insurance Services in 1999 and has been a board member since 2004. Having also served as chairman of the Marine Executive Committee of the London and International Insurance Brokers’ Association (LIIBA) from 2009 until earlier this year, he is well placed to reflect on the changes in the industry over the years.

“Insurance now, compared to when I started in 1980, is a much more professional arena than it used to be, without any question at all,” he says. “While it remains a diverse industry, it was incredibly fragmented when I started, with all sorts of people in control of small parcels of business which they transacted with people simply because they were friends with each other, and not necessarily in a professional manner.”

“Things can always improve but I think the organisation of the market now, both in terms of underwriting and brokers, is at a far higher standard than it used to be. The key thing is that

Insurance is a much more professional arena than it used to be

insurance as a business has fewer people involved per transaction than it used to – so you can probably better reward the people you employ. That means you can therefore attract the best people to the industry.”

As for the details of the profession, he says: “I am a broker, an intermediary – our job remains bringing people together. In the very simplest way I could express it, I bring clients together with the insurer. That hasn’t changed, but perhaps the mechanism by which it is done has changed.”

What motivates him?

“I have thought about this and have no problem; there are three things that clearly motivate me when it comes to work,” he explains. “First, the respect of my peers; doing a good job for people whose opinion I respect is a strong motivator for me. Second, intellectual stimulation – I like to be stretched. And third? Financial reward!”

While he does a ‘fair bit of travelling’, he is firmly based in London, where he was born and brought up. Indeed, he described himself as ‘a very urban person’. “I like the pleasures of city life. My favourite city? After London – Rome!”

Xavier had high praise for the AGM: “The Swedish Club is very good at arranging these gatherings. In every sense when you attend it does feel like a club,” he said.

He added: “I think The Swedish Club is a highly professional organisation. They show great loyalty to their members and their suppliers. They consistently employ people who have stayed with them for a long time, and they offer continuity as a result.”



This year we are hoping for more

Ask Phil Parry to sum up his career thus far and he lists: lawyer, recruitment, HR consulting, parent, fund-raiser. He has time for a hobby, too, restoring classic cars. He's currently working on two 'beautiful' old Porsches – a 1957 Speedster and a 1954 Coupé.

A graduate in maritime business and law, Phil was a shipping and insurance lawyer with Ince & Co before co-founding the maritime recruitment consultancy Spinnaker Global, which specialises in recruitment for commercial shipping, technical marine and professional maritime services positions. Spinnaker has probably recruited more executives in shipping than anyone else in the world.

He also founded the Maritime HR Association, which benchmarks compensation and benefits for its members, which include almost 100 shipowners, ship managers, oil companies and trading groups.

A key conclusion from the panel discussion he chaired at the Club's AGM was that while big casualties come and go, they have a limited lasting impact on the shipping insurance world. The only things that really change the behaviour of the industry are human intervention and innovation, legislation or something that benefits the bottom line. "It's human nature," he said.

"Much of the discussion revolved around the human element impact on safety, but the message was that the insurance sector has no real ability to reward good behaviour," he said. "A really good operator that runs top-quality ships and manages and trains its crew very well, is a far better risk to write – yet there

AGM PROFILE



PHOTO: Jonas Ahlsén

Phil Parry

is very little reward they can be given in terms of insurance premium, because the market is so competitive and soft."

Time for a maritime "Fair trade"?

This ties in neatly with Phil's participation on an industry steering committee looking into the maritime equivalent of 'Fair Trade'. "We are asking: is there a way that the industry can recognise those that are setting an example, our best operators, and celebrate what the very best people in the industry are doing?"

Is there a way to enable these people to gain some sort of competitive advantage over those who don't take the same approach, and therefore to encourage better practices, rather than just maintain the situation at present where unions and seafarer representatives are constantly vilifying those who don't do it well? How do we flip this and encourage best practice?"

A topic on which Phil is equally passionate is fund-raising for Great Ormond Street Children's Hospital, where his son Oscar, now in his teens, underwent treatment when he had leukaemia twice a few years ago. "We have raised GBP 1.2 million so far – all of it from shipping – and are trying to get to GBP 1.5 million, which will all go to the research teams at GOSH," he said. "As part of this, we will hold our second dragon boat race during London International Shipping Week in September. Last time we raised GBP 120,000 in one day. This year we are hoping for more, with 30 teams racing"



AGM PROFILE



Justin Gardner

As head of Willis Re’s North America Marine Reinsurance team in New York, Justin Gardner’s insurance pedigree is impressive.

Describing his role more as “helping our clients do their business better, even, in many cases, beyond just the arena of reinsurance”, Justin cut his insurance teeth across a wide breadth of global reinsurance underwriting and broking.

Prior to joining Willis Re in mid-2013 as an Executive Vice President, he was at General Reinsurance Corporation for 22 years, where his most recent position was Global Ocean Marine Manager and Chief Underwriter. He was a member of the senior management and underwriting groups for the Property facultative division and has a BA from Dartmouth College in Hanover, NH and an MSc in Finance from the London Business School. He has served on the boards of the American Institute of Marine Underwriters, American Hull Insurance Syndicate, and American Marine Management Services and is currently a member of the American Bureau of Shipping (ABS).

“We are reinsurance insurance brokers so our main responsibility is placing reinsurance on behalf of our clients with a variety of reinsurance markets. Beyond the actual transaction, that involves the analysis of client portfolios and then determining optimal structures of reinsurance and reinsurance products to best achieve the client’s risk management objectives,” he said.

This means that depending on the client’s needs, he will advise on everything from entry into new markets and new prod-

Building on a pedigree

ucts, to staffing issues and determining who a client should be talking to when deciding on a business strategy.

“Part of this service is to look at a client’s longer term business strategy development, while also thinking about issues related to capitalisation and financial structure. Our ultimate goal is to provide holistic advice as well as broking and risk management products,” he said.

Acknowledging that his markets are global, Justin said he currently places more reinsurance business with reinsurers outside the US than with those in the US, particularly because marine and energy are global classes of speciality business. “And then our clients tend to be global entities rather than just North American entities.”

He added: “One of the major values of reinsurance historically was its ability to provide contingent capital on a more efficient basis than if you held it yourself. But that benefit has become less and less valuable in a world which is awash with capital. So now reinsurers as well as insurers, need to find ways of providing greater value and some of those ways are through superior service and relationships.”

And what of his relationship with The Swedish Club?

“Well my first employer, General Re has a relationship with The Swedish Club going back to the early 1980s and I was lucky enough to serve as one of their contacts for over ten years while there. A significant advantage of The Swedish Club is that their personnel tend to stick around so you get that consistency of service and attention.

“This is good as obviously people are happy working there. I find that P&I Clubs in general, and The Swedish Club in particular, have a real intellectual appetite for discourse about underwriting. I have had probably some of the richest underwriting discussions of my career with the people at The Swedish Club whether it’s Hull, P&I or energy or whatever.”

“Such discussions are extremely rewarding when you are an underwriter or a broker and they’re rare. A lot of people don’t have the inclination to have those discussions and because The Swedish Club embraces such a strong technical approach to what it does, it can deliver a very rewarding experience for their partners. I always walked away from my interactions with The Swedish Club as a better technician,” he concluded.

PHOTO: Jonas Ahlsen



AGM PROFILE

A team leader who's definitely on par

The Swedish Club's Director of Underwriting, Reinsurance and Risk Control Tord Nilsson, is as happy on a golf course battling it out for top honours in the over 45s Swedish Seniors Championship as he is setting goals and targets and supervising all aspects of underwriting for the Club.

And he is very good at both. Not only is he responsible for handling a yearly income in excess of USD 180 million, with reinsurance being added to his list of responsibilities from June of this year, but he also plays off a scratch handicap with an iron play that is difficult to top.

Further scrutiny of his CV shows that during his 18 years with The Swedish Club, he has not only gained valuable experience as a marine and special risks underwriter, but has also led teams in a number of different insurance markets like Piraeus and Hong Kong.

As Director of Underwriting, Reinsurance and Risk Control, it was apt that Tord should be asked to speak on the panel debate about 'Random events and game changers in marine insurance'. And as he reflected, the problem with insurance models is that while you do have actuality, in the short-term the models may not actually model what is happening. "So in the short-term we have to ensure we have enough money to cater for those one in a 1,000 or one in 10,000 year events".

He continued: "You have to be aware of pattern changes and at the same time take advantage of the opportunities out there. Solvency II has already had an impact because many insurance companies have diversified into insurance lines they have not been in before. Financial meltdown is a possible game changer especially when you consider the abundance of cheap money that is available today."

"The marine insurance market has changed quite a lot over the past 20-25 years. Back then there was not as much money



PHOTO: Jonas Ahlsen

Tord Nilsson

dedicated to marine insurance as there is now. And because of this, people are looking for ways of making their money grow," he added.

Interesting stuff. But while 2014 was a successful underwriting year for The Swedish Club with good underwriting performance seen across all major categories, where does Tord see the challenges for the year ahead?

"Right now the main problem for marine insurers and especially underwriters doing hull-related and energy business is the abundance of capacity that has put tremendous pressure on premiums. In combination with a few years of 'better than before' claims, this has meant that market premiums in just about all H&M insurance categories are around break-even. Underwriters are starting to lose money and there are no signs of the market hardening," he said.

And as far as expectations for claims frequency are concerned, the next year is likely to be similar to the last three, he said, as the industry continues to witness a period of slow shipping activity. "Offshore and supply are the newcomers to a slowdown in the market. Many of them are going through an incredibly rough time right now and the easing of the Iran sanctions will most likely put even more pressure on the industry," he said.

And how did he get on in this year's Swedish golf Championship? A very impressive tenth position with three rounds of 74, 75, and 71.



“As soon as I got into the maritime industry I loved it”

IMC’s relationship with The Swedish Club goes back a long way, so it was right and fitting that the Managing Director of its Transport Logistics Division, Lim Sim Keat, should be elected to the Club’s board at the recent AGM.

SK Lim is a shipping man through and through. He worked in the agency business in Indonesia and Singapore for a number of years before joining Austral Asia Line in 2003 as the owner’s representative for South East Asia. He then cut his teeth in ship finance and ship leasing during his time at PST Management before taking over as Senior VP for General, Bulk and Container Terminals at Singapore’s Jurong Port prior to moving to his current position at IMC Shipping.

“When I graduated from University in 1991, I made it a point to stick with the maritime industry because as soon as I got into it I loved it. Over the years I have built up a lot of experience in ship agency, owning, operating, ship financing and also managing ports. Interestingly, in my role at IMC, my portfolio includes bulk shipping, ports and terminals as well as the supply chain, so I find myself involved with all of the things I was involved with previously,” he said.

While he has a lot of experience in shipping, SK Lim is quick to acknowledge that this experience is not as wide-ranging as some of his other Swedish Club board members. “For me it is about coming from Asia and adding an Asian input into the board’s thinking. As we all know, shipping’s growth in the next 10 to 20 years will be shifting over to Asia. And for us at IMC, being situated in Singapore is the best location we can have. So hope-

fully I can bring a good deal of usefulness, vibrancy and experience of being based in Asia to The Swedish Club, as well as experience across a lot of sectors in the maritime industry.”

“IMC is a very diversified company; we have dry bulk, chemical tankers, barges, offshore vessels and FPSOs, so hopefully I can contribute more from the commercial side of shipping,” he added.

And it is the bulk markets that SK Lim is particularly focused on: a market which he admits is struggling under the burden of massive over-tonnage, with the worrying spectre that shipyards in the key shipbuilding nations are now becoming hungrier for more business.

“The worrying factor is that shipyards are getting hungrier”

“The overcapacity issue is there, especially in dry bulk, and the entire industry, from the shipyards to the owners and to the financiers, has to restrain itself from ordering more ships for the next couple of years. We have seen 15

million dwts of dry bulk vessels scrapped in the first four months of the year and if this level of scrapping continues, say up to between 45 million and to 50m tonnes across the industry this year, then the markets should start to recover by the end of 2017/start of 2018. But it is dependent on ship-owners restraining from ordering more vessels.”

“The worrying factor is that shipyards are getting hungrier. If you look at the Japanese yards, they are now starting to look for orders for 2018 /2019. Japanese shipyards have traditionally been regarded as the builders of better quality ships, but the recent weakness in the yen has narrowed the price differential between Japanese and Chinese shipyards – particularly for dry bulk vessels – to nearer 5% or even less. Some owners are beginning to decide that it is very attractive now to order vessels from Japanese shipyards because they are getting good quality



NEW BOARD MEMBER **Lim Sim Keat, IMC Industrial Group**



vessels at a good price and this is a bit worrying,” he said.

He is so connected in the Asian region that he has also just been appointed to the ruling Council of the Singapore Shipping Association.

“For us as an owner, joining a P&I Club is all about the good service we receive and this is something we get in bucket loads from The Swedish Club. This is why we have always had representation on the board. Without doubt, the market has a very positive view of The Swedish Club and believes it is doing a good job in the right way. Because The Swedish Club is not a very large P&I club, ship-

owners like us get the level of attention and service that we want,” he said.

And what are the key issues facing the Club and its members going forward? “I think loss prevention is very important because this is good for the owners and also good for the Club” he stated. “But it is not only important that the Club grows over the next few years, but also that it grows and diversifies with a purpose. As long as the focus is there that is fine – you just have to maintain the focus.”





Early Arrivals Dinner - at the Opera House, 10 June

THE DINNER, consisting of the traditional seafood buffet, was held this year at Gothenburg's Opera House, located in the harbour district. Over 250 guests – members, business partners and Club staff – attended this cheerful evening.

More photos can be found on www.swedishclub.com under the section Out and About.



Arriving for the dinner. To the left: David and Kimberley Smith (IMC Consulting) and Martin and Linda Terrell (WK Webster International).



Welcome. Lars Rhodin greeted the guests with a humorous anecdote and a toast, and ended with a schnapps song – together with Jan Risinger of Fairwater Marine to the left.



Seafood buffet at the Opera House.



Cheers. From left: Mauricio Garrido of T&T Salvage, Andrew Bardot of the International Group of P&I Clubs and Debra Massey, Elaborate Communications.

The evening's entertainment at the Opera House was Peter Eriksson and his band.



Having a chat. Nina Johansson of The Swedish Club with Peter Cowling (Chairman Election Committee of The Swedish Club).



Having fun. Left: Terry McSweeney (Aon Benfield), Keith Jones (Aon Risk Solutions), Helle Hammer (Cefor) and Fredrik Bergqvist (The Swedish Club).



From left: Mathias Besnard (CMA CGM), Johan Kahlmeter and Maria Berndtsson (The Swedish Club) and Costas Karaloizou (Albatross Adjusters).



Radoslaw Walszak of DS Schifffahrt GmbH attended the dinner together with his wife Irina.



Mrs Chen Xiang (Cosco Container Lines, PRC) and Mr Khalid Hashim (Precious Shipping, Thailand).



From left: Helena Wallerius Dahlsten (The Swedish Club) and Lena Granstrand Nilsson (Erik Thun AB, Sweden) with her husband Johannes Nilsson.



From left: Han Zhigang, Xu Zhongyu and Guan Ruihong of Hong Kong Haibao Shipping Co., Hong Kong.



From left: Paul Brandram of Arthur J. Gallagher, UK and Maria Kouliga-Pavlou of Trinity Marine Servies, Greece.



AGM Dinner, 11 June

LARS RHODIN welcomed all the guests to the AGM dinner at the Banquet Hall, Elite Park Avenue Hotel on 11 June. Around 240 guests enjoyed the traditional menu of salmon, white asparagus and fresh strawberries, which has been the same menu as long as we can remember.

More photos can be found on www.swedishclub.com under the section Out and About.



Ingela Tengelin of Stena Rederi AB, Sweden and Daniel Kilgren of The Swedish Club.



Guest of honour – Dimitri Dragazis of Latsco (London) – gave the after-dinner speech in which he told the audience “It does exactly what it says on the tin. That is The Swedish Club. It provides all-weather and all-circumstances cover with the minimum fuss and maximum effectiveness.”



From left: Diamantis Manos of Costamare Shipping, Greece, Elli-Anna Kourousia and Panagiotis Kourousias of J.P. Samartzis Maritime Enterprises, Greece, together with John Coustas of Danaos Shipping.



From left: Marleen Bernaert of Marsh nv, Belgium together with Alicia Montañes of Muños & Montañes Abodagos, Spain.



The winning team cheering at the back.

The Swedish Club Mutual Cup, 10 June

THE FOOTBALL MUTUAL CUP'S kickoff started the AGM's events on 10 June at Heden football ground. Team Sweden won against Team International for the second time in a row by 4-0.

There were a lot of spectators at the match – guests and TSC staff – to watch an exciting game.

More photos can be found on www.swedishclub.com under the section Out and About.



Claes Åman and Peter Stenberg from The Swedish Club treated the players and spectators to hot dogs.

Partners' Programme, 11 June

THE PARTICIPANTS went to 'Tygrieket', Sweden's fabric centre, which has a fantastic history of fabric design, colours and patterns.

After lunch at 'Wårdshus Spinnaren', everybody got a chance to try the art of traditional Swedish baking.



More photos can be found on www.swedishclub.com under the section Out and About.



The Swedish Club Grand Classic, 12 June — happy golfers on a sunny golf course

ON A SUNNY Friday morning, a group of golfers gathered at Delsjö Golf Club to take part in the annual Grand Classic, applying the Stableford rules. In all 16 people in 5 teams had a relaxing day on the golf course.

The winner of the Best Team prize had two players in the top three and the team consisted of Erik Johansson (The Swedish Club), Nigel Russell (RFIB Group Limited) and Dimitar Zhelev of IHB Shipping Co EAD, who was also the winner of this year's Grand Classic.

This year, three ladies took part in the game and one of them, Daneta Zheleva won the longest drive prize. Keith Jones (Aon Risk Solutions) won closest to the line and



From left: Dimitar Zhelev, Nigel Russell and Erik Johansson.

his fellow countryman Joe Balls had the straightest drive. They all received fine prizes during the awards ceremony, after the game.



From left: Malin Gustafsson (The Swedish Club), Joe Balls (Omni Ltd) and Daneta Zheleva.

More photos can be found on www.swedishclub.com under the section Out and About.



The boat 'Nya Skärgården' took us out in the Gothenburg archipelago.



Lars Rhodin (The Swedish Club) to the right showing Vassilis Katsikis (Katsikis & Sigalas) and Paul Spencer (Miller Insurance) the Swedish archipelago.



Stora Mosskullen.

A day out, 12 June

A TRIP WAS ARRANGED on Friday 12 June to the historical world of Volvo. A museum with old and new cars made by Sweden – Volvo.

After the museum the participants went by boat to the island “Stora Mosskullen” where they had the chance of enjoying a Swedish lunch in the beautiful Gothenburg archipelago.

More photos can be found on www.swedishclub.com under the section Out and About.



Volvo PV 61 Cabriolet from 1949 at Volvo Museum



Enjoying lunch after the museum and the boat trip.

The Swedish Club Board of Directors, 11 June 2015



PHOTO: Jonas Ahlsén

BACK ROW from left:

Elisabeth Rydén	Elected by the employees
Anders Leissner	The Swedish Club <i>Board Secretary</i>
Rob Grool	Vroon B.V.
Peter Claesson	Stena AB
Lim Sim Keat	IMC Industrial Group
Lars Höglund	Furetank Rederi AB
Gustaf Grönberg	Star Cruises Management Ltd.
Jakob Osvald	Elected by the employees
Anders Boman	Wallenius Lines AB
Michael Vinnen	F.A. Vinnen & Co (GmbH & Co. KG)

FRONT ROW from left:

Sumate Tanthuanit	Regional Container Lines Pte. Ltd.
Idil Baran Sualp	CerBa Group of Companies
Demetri Dragazis	Latsco (London) Ltd
Xiang Chen	COSCO Container Lines Co. Ltd.
Lennart Simonsson	<i>Chairman</i>
Diamantis Manos	Costamare Shipping Co
Anders Källsson	Erik Thun AB
John Coustas	Danaos Shipping Co Ltd <i>Deputy Chairman</i>
Lars Rhodin	The Swedish Club <i>Managing Director</i>
Khalid Hashim	Precious Shipping Public Co Ltd <i>Deputy Chairman</i>

NOT in photo

Fred Cheng	Shinyo International Group Ltd
Michael Bodouoglou	Allseas Marine S.A.
Andonis Lemos	Enesel S.A.
Weng Yi	China Shipping Group Company
Li Zhen	Sinotrans Shipping Ltd



Those were the days... Refreshments after the Annual General Meeting in June 1910.

Reflections



Anders Leissner
Director
Corporate Legal and FD&D

SUMMER is a good time for reflecting. I recently found myself asking the question: What signifies a good lawyer? I realized I knew the answer, but to actually list the characteristics was more difficult. The list of adjectives was long but did not catch the 'it' until I realized 'it' was it, namely the ability to do the right thing in a given situation.

Sometimes you need to be analytical, sometimes pragmatic. Sometimes you need patience and sometimes you need to be impatient. Sometimes you need to focus on the details; sometimes you need to see the big picture. The approach to a legal problem is governed by the context, and the lawyer that can identify the needs in a given situation, and has the ability to adapt the approach, will most likely be successful.

The predictable random event

Another time for reflection was at the Club's recent AGM, when a knowledgeable panel exchanged views on random events and game changers in the insurance industry. One theory that transpired was that it's all about the perspective. For a short period an event can be random, but if the period is

long enough then the event is not random. We may not know which vessel or member, or where the vessel will ground, but we know that the event will happen. After all, if you are aware of history's unexpected events, you should not be too surprised over unexpected events in future.

Bankruptcy? Then please pay twice

The OW Bunker bankruptcy has generated numerous reflections. Almost a year has passed since the worldwide bunker supplier defaulted and our members are still facing, and are vigorously defending, competing claims and demands to pay twice for the same bunker stem. Hundreds of lawsuits are pending around the world with essentially the same purpose – to decide who should rightfully be paid for the bunker stem.

Adopting a commonsense approach, it is somewhat of a mystery how the bankruptcy estate and the physical supplier can both claim entitlement to the monies. After all, if a physical supplier has not been paid for bunkers he has stemmed, then OW Bunkers should not be out of pocket, and it then seems odd that payment still

has to be made to OW Bunkers. It is difficult to disregard the fact that if payment is made twice, someone who should not be paid gets paid. The Club's analysis of the situation and some useful takeaways can be found on our website.

Times are changing

Working with the Club's Solvency II preparations does not give much time for reflection. The finishing line of 1 January 2016 is rapidly approaching and the scope of the new regime is becoming clearer. The Club will be expected to annually submit some 70 (!) reports to the regulators. For my own part, I am involved in preparing the organisation for the enhanced requirements regarding corporate governance.

I sometimes look at the pictures outside our board room in Gothenburg from an Annual General Meeting that took place some 100 years ago. Cheerful gentlemen with hats and bow ties are seen sitting in a garden. Running a P&I Club today could not be more different. Well, that was another reflection.



Maritime Resource Management Reality Check

WHETHER you are new to MRM, or a long-time user, we want to check in and see how it is going. The purpose of this text is to let our clients know that no matter where you are on your training journey, we are here to offer support along the way. We are interested in your progress and your success matters to us.

Many members have joined us since the launch of the MRM Campaign in 2014 when The Swedish Club agreed to pay the MRM licence fee for 2 years for members enrolling in the programme. An important objective is to ensure that everyone gets the support and guidance they need to succeed as a training provider.

We encourage everyone to let us know how we can help. Maybe you signed up

for MRM but are still struggling and having difficulties getting started? Don't be afraid to weigh anchor and embark on your journey to better safety. You don't need to be a human factors expert to

Message from The Swedish Club Academy

provide MRM training. We give you all the material that you need to carry out a successful course. Just don't forget to "facilitate" the course. Avoid "instruction" as far as possible. Your course participants should do most of the talking and you will just guide them through the course modules using your Facilitator Guide. Facilitation is the key to success.

Then there's the other scenario. You've been conducting MRM courses for some time now, you feel comfortable with your

training hat on and are now looking for fresh ideas to keep you on top of your game. In the age of digital technology and quick information exchange our attention spans have become shorter, which doesn't make your life as a facilitator any easier.

Let us know and we can provide you with some quick go-to tips to keep your ship afloat with flying colours. We also want to hear about any success stories, or tips from training that you'd like to share with us. Whether you are a new or seasoned facilitator we want to hear about your experiences.

For any MRM matter, please contact Karen Hester Ahl on karen.ahl@swedishclub.com or +46 31 638 475.



The Marine Insurance Course Group 2015 gathered outside "Isbolaget" on Donsö Island.



After three days of introduction, it was time for in-depth workshops, where people could put theory into practice.

New MIC graduates 2015

EVEN IF THIS YEAR'S MIC week started in a rainy Gothenburg, the participants' enthusiasm and energy was catching from day one.

The Swedish Club has held the Marine Insurance Course (MIC) since 2001 with over 630 participants from 25 different countries worldwide. This year the interest in the course was well over our expectations and we congratulate all the participants on a job well done.



The dinner on Thursday took place at 'Isbolaget' on the beautiful island of Donsö. It was a highly entertaining evening with many hidden talents on view, such as singing, speeches and storytelling.

The date for next year's course is set for 9-13 May 2016

Do something really Swedish

Have a 'nubbe'!

A 'nubbe' – a small amount of seasoned schnapps – is a Swedish tradition with roots in the eighteenth century, when it was classified as medicine. Today it's a part of our food culture and is brought out of the liquor cabinets on holidays like Midsummer, Easter and Christmas.



Carola Weidenholm
Corporate
Communications

Making schnapps is a genuine handicraft. The principle is the same as making a nice perfume – you start by mixing spices until you are satisfied with the taste and let them soak in alcohol

to extract all the flavours. In some cases the extract is distilled and then mixed with water and alcohol until it reaches the right balance. Some schnapps is also aged for several years to acquire the right taste.

Coupled with a song

In earlier days the shots were larger – 8.2 cl – today the common size is 4 cl and experts even recommend you to halve that and vary them with different food to get the most out of your meals. For example serve three small starters and pair each one with a suitable schnapps of 2 cl.

Traditionally drinking a 'nubbe' is coupled with singing, and those of you who have been to Early Arrivals Dinner at our Annual General Meeting know the drill. Each place setting has a song sheet with schnapps songs. The melody is easy to follow and so are the texts so everyone can take part. The host or toastmaster starts the singing and after that we all drink the 'nubbe' together. This is repeated several times, so you better sip it in small doses if you don't want to get too wobbly!

This tradition is unique for Sweden and the Swedish speaking parts of Finland and is meant to create a feeling of belonging together. So welcome to being included in a Swedish tradition!



A recipe to start with

It's simple to make your own schnapps – this one is called Euphoria.

Start with **70 cl of unseasoned liquor**, for example vodka

20 grams of mixed herbs:

bitter orange peel

star anise

cloves

coriander seed

juniper berries

mint leaves

3 sugar cubes

1. Create your own spice mix and pour the spices in to a jar or bottle with a lid
2. Add the liquor
3. Let it rest for 1-3 days. Taste to decide whether it has reached the right flavour
4. Strain away the herbs and add the sugar cubes
5. Cheers!

Tips Only use whole seeds so you don't have to filter the liquid and use liquor with maximum alcohol content at 40% so the aroma is preserved. You can use either dried or fresh mint.



At Easter, Midsummer, Surströmming (fermented herring) premiere, crayfish parties and Christmas the Swedes get out the heavy artillery – the shot or schnapps, or 'nubbe' as it's casually called. It's usually served in small iced glasses together with a cold beer, herring and shellfish.

And a song to follow

Schnapps is coming...

(Melody: The Merry Widow)

*Schnapps is coming
Schnapps is coming
cool and nice*

*Glass is shining
people singing
for our schnapps*

*Scol for happy hours
Scol for Swedish Club
no more sorrow will remain
when schnapps we claim
SCOOOL!*



A dog's BEST FRIEND

We are all hoarders in one way or another. Some people collect matchboxes, others are drawn to football cards, or paintings, or even old cars if you can afford them. But with ship-owner Levent Akson it's another story – his passion is to help stray dogs! To date he has 10 at home, 501 at his own built dog shelter; and if that isn't enough; he also takes care of 200 cats at another shelter.



Carola Weidenholm
Corporate
Communications

“First and foremost I respect nature and all living creatures – they are all equally important and deserve respect,” says Levent Akson as an explanation for his acts of sheer kindness.

One dog – one tree

It all started one day in 1997 when a friend brought a stray dog, who had been in an accident, to his home. He nursed it back to health and they became close friends. The word spread from there and people started to leave injured stray dogs at his house. Two years later he had 30 dogs – and the garden began to get crowded. He decided the dogs needed some more space, so he bought an area of land outside Istanbul and built a dog shelter from the ground up. Since then his pack has grown to 501 furry friends!

“As I had the opportunity to be in charge of the construction from the start, we began by building the draining system for excrement and then went on to the buildings for dogs and staff. This method has created an almost odourless environment for both dogs and caretakers,” tells Levent.

The shelter is located 125 kilometres outside Istanbul and has buildings where the dogs run freely instead of being in cages. There is also a fully equipped surgery on the premises and a staff of seven persons working 24/7, as well as five vets connected to the operation.



PHOTO: Courtesy of Levent Akson

Levent Akson at his dog shelter.

All dogs are let out three times a day to run free in the enormous exercise yards. And Levent plants a tree for each dog that arrives – both as a memorial and to create shade for the dogs when they are outside.

“A lot of families buy a cute little puppy and later realize it grows up to become both big and expensive to take care of; then they leave it in the streets. For example, right now we have 100 Golden Retrievers who were left by their owners,” tells Levent.

Planning a foundation

Every dog has its own story of abuse and accidents that need to be taken into consideration.

“When a dog first arrives at the shelter it goes in to rehabilitation. We are very particular about getting to know each dog and seeing that it ends up with a compatible pack on the farm,” he explains.

Each weekend Levent travels to his shelter to visit the dogs and helps with the caretaking. The whole operation is financed from his own pocket, however he is thinking

about setting up a charity for its future existence.

“I will not live forever and there will always be dogs in need; hopefully I can start a foundation to finance the shelter for long after I am gone,” says Levent.



Levent Akson in brief

Levent Akson started his own company – Polaris Shipping – in 1987, after several years being employed in the Turkish marine industry. His company has been a member of The Swedish Club since 2007. Today we insure two of their seven vessels: Polaris Beauty and Polaris Star on P&I and FD&D. In 1999 he founded and built a dog shelter outside Istanbul, financed solely by himself. At that time he had taken care of 30 stray dogs in his home, and this number has grown to more than 500 dogs today in the shelter.

NEWS from ▶ Team **Gothenburg** ▶ Team **Piraeus**



Team Gothenburg

Jacob Vierø
Acting Area Manager

TEAM GOTHENBURG can enjoy a well-established, solid, mature member base. Experienced members are just about all a mutual could ask for and recent months have shown that the experience of my staff is paying dividends, with new members calling The Swedish Club, asking us to ensure their fleets – a dream!

Area Manager Jacob Vierø heads Team Gothenburg, which is responsible for the Scandinavian and Northern European markets, as well as North and South America.

A year ago Team Gothenburg started a generation change process across the board. The recently carried out member survey, our visits to the market as well as these magic phone calls tell their story. The team is met with respect and nothing can be more pleasing to me.

As in many previous reports there is no difference when reporting team growth in tonnage. We have taken several important moves in Turkey where the Club is becoming a significant P&I insurer. We have very successfully taken on major tonnage on

Charterers' Liability and Loss of Hire whilst Hull & Machinery remains constant.

Again the team's mature member base is a blessing with a general rule that each ship the team covers has two or more risks covered from Gothenburg. Following a period of consolidation in order to maintain best in class service and documentation, the team is broadening the books. This is not only being achieved through the highly appreciated phone calls from new members and brokers, but also by the team underwriters finding new destinations inside our vast geographical area of responsibility. I am personally intrigued by this expansion process.

Meeting, talking and listening is still one of our favourite disciplines. Besides active travel activities from underwriting and claims we have had our Club evenings in Hamburg, Bremen and Istanbul. Between these three events we are thrilled to report a record number of participants. On top of these events the Annual General Meeting brought our members to our turf. A cyclic and excellent opportunity for members to come close to their Club and make more business relationships and – undoubtedly – win even more trust.

The process of making hardened sailors from the Gothenburg team is ongoing, allowing me to extend a warm thank you to the members and ships taking us on board and rub some seamanship into everybody's blood. This is one of several processes bringing us – Team Gothenburg – closer to our members.



Team Piraeus

Hans Filipsson
Area Manager

THE SUMMER in Greece is something very special. Just outside our office we have the big cruise ships with thousands of tourists more or less every day. The open top sightseeing buses to Acropolis are extremely busy in the mornings.

Hans Filipsson is Area Manager for Team Piraeus, responsible for the markets in Greece, Italy, and the Middle East. The Swedish Club has been present in Piraeus since 1980.

Unfortunately a lot of cancellations were made from tourists concerned about the financial problems and the closed banks. What a pity, because Greece is still one of the most beautiful countries in the world.

The shipping climate here in Greece is "good" in general. The Greeks control about 16% of the world tonnage and they are still buying second hand vessels at quite low prices. Newbuildings are also being delivered. The situation on the freight market has reached all time low, especially for those owners operating bulkers. Our technical result has been positive and we see that more

shipowners and brokers are showing interest in our Club, which is encouraging.

The financial and political situation in Greece is something different. A number of people would call this an "all time low" as well. This is what people are talking about every day. However, there are people now who are afraid that the "grecxit" is getting closer. The present situation in Greece is not sustainable. It will not be a quick fix but we have to start somewhere. The sooner the better.

It has been a very turbulent spring with discussions in Brussels about a new bailout for Greece. The former Minister of Finance, Mr Varoufakis, together with our PM Tsipras tried to negotiate a better deal for Greece. The banks closed at the end of June and on 5 July we had a referendum to vote yes or no to the conditions for a new bailout. The "NO" side won with more than 60% of the votes. When the result was made official Mr Varoufakis resigned as Minister of Finance. It seems like Greece was better off before.

A lot of uncertainties about the Greek banks etc. became a bigger problem for shipowners than the low freight rates and shipowners are now looking for a plan 'B'.

A plan 'B' has to be properly prepared so you can convince investors that you are not jeopardising your operation. We have not seen the end yet but I guess it is fair to say that it will take at least three to five years for Greece to get back to normal. If they decide to try without shipowners staying in Greece it will take a very long time, probably decades. We are most likely facing a new election in September.



NEWS from ▶ Team Norway ▶ Team Asia

THE ENERGY AND OFFSHORE service market continues to struggle, with oil prices remaining in the USD 50-60 per barrel band. Even though new drilling contracts for the giant Johan Sverdrup field in the North Sea were awarded by Statoil in early June, the analysts at Rystad Energy predict that around one third of the world's MOUs will have to be scrapped in the years to come. Lower oil company activity will reduce the overall demand for rigs by 10% this year and 7% next year, from 262 rigs in 2014 to 220 units in 2016.

At the same time, the influx of newbuildings will result in a global fleet growth of 64 new units by 2017. According to Rystad this will lead to an overcapacity of 80-120 rigs and thus a virtual scrapping tsunami is necessary to restore balance in the market. A utilization degree of 83%, which has been the historical average over the past 10 years, will demand scrapping 88 rigs or some 33.5% of the world's fleet.

Higher seasonal activity in the North Sea area in the offshore service segment led to substantial day rate increases, particular for the anchor handlers but also slight increases for platform supply vessels, during the early part of June. With rates increasing it will always be tempting to send existing lay-ups back into the market. So far however, the lay-up situation has remained unchanged with some 45 OSVs still idling along the coast of Norway.

The situation in the more traditional shipping segments such as tank, bulk and containers has been the same for Norway as the rest of the world: good news for wet and bad news for dry. Fortunately for Norwegian shipping, a focus on niche-oriented and specialized segments has reduced cyclical impacts somewhat although dire times are still affecting most segments. FLNG, FSRU and VLGC are niche areas that are still profitable and where Norwegian op-

IN THE SECOND HALF of 2015 there will be some personnel changes at our Hong Kong office. Andrew Bates left us at the end of July and Kristoffer Lindqvist, after two years in Hong Kong, will return to the Club's head office in Gothenburg, Sweden in early September. They both handle FD&D and P&I claims. We thank them for their services to the Club and its members in Asia.

We have recruited Ms Shirley Wu and Ms Nancy Kam to replace them. They are both qualified solicitors in Hong Kong and have previously worked for well-known English shipping law firms. Shirley received her LLB degree from the University of Hong Kong and Master of Law (LLM) from Cambridge University. Before joining the Club, she worked for a well-known shipping law firm for ten years.

Nancy was educated in the UK where she obtained her bachelor and masters degrees in economics. She turned to legal studies after she had worked in Hong Kong for a few years at an insurance company and later at an insurance broker, and obtained her LLB degree and PCLL (postgraduate certificate in laws). Before joining the Club, she worked with another well-known marine insurer for a number of years.

We look forward to both of them joining us in September. We will duly introduce them to our members in Asia through scheduled visits.

Team Norway

Tore Forsmo
Area Manager



erators are increasingly positioning themselves.

A new maritime strategy for Norway was launched in late May, with a major focus on increasing the number of vessels under the Norwegian flag and further strengthening Norway's international position. The Norwegian International Ship (NIS) Register is expected to see a softening of entry-requirements for coastal/international traffic, and for offshore vessels on the Norwegian continental shelf and ferries in international trade.

Team Norway is continuing to expand the total business volume and still focusing on long-term sustainability and solidity. The traditional Client Relations Event was held in the first week of June with local brokers, and on the staffing side, Victor Bogesjö will be joining the Oslo office on 1 September. Victor is a Senior Claims Executive with a background from both Team Gothenburg and Team Hong Kong, and will further strengthen and add emphasis to the claims handling capabilities of this team.

Team Norway is responsible for the Club's activities in Norway and Eastern Europe. In addition, the Team handles all the Club's energy, offshore service and construction risk lines. It is headed by Area Manager Tore Forsmo.



Team Asia

Ruizong Wang
Area Manager



We are organizing a seminar in Shanghai this autumn and both Shirley and Nancy will take part at this event. This will be a good opportunity for them to meet our members in Asia.

Ruizong Wang is Managing Director and Area Manager for Team Asia, serving the Asian market through offices in Hong Kong, set up in 1982 and Tokyo, set up in 1998.



Member's Lunch in Piraeus, 28 April

ON 28 APRIL the Member's Lunch was held at the Marine Club in Piraeus. About 34 shipowners attended the lunch and Managing Director, Lars Rhodin presented the 'State of Affairs' showing a good result for 2014.

This was followed by a presentation by our Senior Technical Manager, Claes Åman, who gave his views on 'Fuel Management – yesterday and today'.



An informative event in Istanbul, 29 April 2015

DURING THE WELL-ATTENDED cocktail and dinner party, 80 members, brokers and associates were told about the Club's state of affairs. This was followed by a presentation about fuel management in the past and its development up to today with requirements for low sulphur emissions and some of the consequences.

The Club wishes to thank all participants for making this evening a wonderful social and informative gathering.



From left: Baha Erbi (One Ship Management), Nigel Russell (RFIB Group Ltd) and Enver Bilgi (Zenith Gemi Isletmeciligi A.S.).



From left: Polatkan Obay (GSD Denizcilik Gayrimenkul Insaat San. ve Tic. A.S.), Halil Solak (Omni Ltd), Jacob Vierø (The Swedish Club) and Murat Gezin (GSD Denizcilik Gayrimenkul Insaat San. ve Tic. A.S.).



Sadan Kaptanoglu of Kaptanoglu Holding and Aret M Tasciyan of Omni Ltd.



From left: Elif Özmen (Omni Ltd.) and Karoline Rydelid (The Swedish Club).

Club evenings in Germany with our members and brokers, 19 and 20 May 2015

SOME 150 PARTICIPANTS, brokers and business associates met up at the Club's Hamburg and Bremen evening events. These events have become as much of a tradition as the Swedish Midsummer, and this year's events were no exception.

The Swedish Club's employees, covering all parts of our business and member services, met up at the two events to discuss current and general matters face-to-face with brokers and members.

Our Managing Director's State of Affairs presentation, highlighting to the participants how the Club is performing, started off the formal part of the evenings. A presentation about fuel management was then held by our in-house Technical Advisor, Claes Åman. It's a relevant and interesting topic regarding SECA's regulations today and in future.

Thank you to all the participants for helping to make both evenings a success.

Hamburg, 19 May ▾



From left: Ralf Guder (Aon Benfield), Claes Åman (The Swedish Club) and Juergen Hahn (Stichling Hahn Hilbrich GmbH).

Bremen, 20 May ▾



From left: Thomas Bock (BBC Chartering GmbH), Filip Isaksson (The Swedish Club) and Andrei Kharchanka (BBC Chartering GmbH).



From left: Markus Hempel (Norddeutsche Reederei H. Schuldt GmbH & Co. KG) together with Lars Rhodin (The Swedish Club).



From left: Hermann Schepers (Unitas Shipmanagement GmbH & Co KG) and Maria Berndtsson (The Swedish Club).

The weather conditions were perfect at this year's GöteborgsVarvet on 23 May

THE SWEDISH CLUB TEAM

completed the 21 km run with a smile.

The Gothenburg half marathon is a great race to run due to the friendly atmosphere and all the supporting spectators. We are very happy to be able to arrange an event in conjunction with the race with Argonaut AB and invite business partners to join in with us for this fantastic run.



Thank You

We would like to take this opportunity of thanking all of The Swedish Club Team who made a donation to The Swedish Sea Rescue Society.

GöteborgsVarvet Half Marathon is a classic 21 km race held every year in Gothenburg, Sweden. The next race will take place on 21 May 2016.

More photos can be found on www.swedishclub.com under the section Out and About.

Open House – Piraeus, 4 June 2015

ANOTHER SUCCESSFUL Open House was held at our Piraeus office on 4 June 2015. Team staff mingled with members and associates in a casual and friendly atmosphere, where guests had the opportunity of meeting Team Piraeus over a nice glass of wine or a cold beer.



Mingling at The Swedish Club office.



From left: Zoe Lappa-Papamatthaiou of Danaos Shipping together with Maria Markantoni and Ioanna Micha of The Swedish Club.

Staff News

GOTHENBURG

Mikael Kromli

Director Finance, Risk Management & IT

Mikael Kromli joined the Club on 18 May 2015 as Director Finance, Risk Management & IT. Mikael has had several positions as CFO, business controller, analyst and accountant at the Volvo Group and Nobel Biocare.



Jan Rydenfelt

Director Finance, Reinsurance & IT

Jan Rydenfelt has retired after 16 years of dedicated service to the Club. We wish him a long and happy retirement.



TEAM GOTHENBURG

Kristoffer Lindqvist

Senior Claims Executive

Kristoffer will return to the head office after more than four years at the Club's Piraeus and Hong Kong offices. He will move into underwriting and attend a training programme.



TEAM NORWAY

Victor Bogesjö

Victor joined the Club's Team Norway on 1 September as Senior Claims Executive. Victor will continue working for Team Gothenburg and spend part of his time in the Head Office.



Club Calendar

2015

1 October	Board Meeting	Athens
27 October	Club Seminar	Bergen
29 October	Club Seminar	Oslo
9-11 November	Marine Insurance Seminar	Piraeus
30 November	Winter Lunch	Gothenburg
3 December	Board Meeting	London
10 December	Lucia Dinner	Piraeus

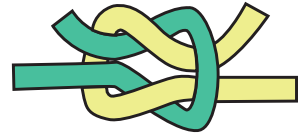
For further upcoming events, please refer to www.swedishclub.com/Club Calendar



❶ What

is the name of this knot?

- 1 Square knot
- X Hitch knot
- 2 Reef knot



❷ When

was the Baltic Exchange established?

- 1 1644
- X 1744
- 2 1874

❸ What

is the maximum length overall of a Kamsarmax?

- 1 200 meters
- X 229 meters
- 2 249 meters

Answer to quiz@swedishclub.com

The first right answer will be awarded a Club give-away.

Winner of Club Quiz 1-2015



Winner of Club Quiz in Triton No 1-2015 is Michael Lindman, Global Logistics manager LKAB Minerals, Luleå, Sweden who has been awarded a Club give-away.

The right answers to Qlub Quiz No 1-2015 are:

- 1 1914
- X 13,50 C
- X 1980



The Swedish Club is a mutual marine insurance company, owned and controlled by its members. The Club writes Protection & Indemnity, Freight, Demurrage & Defence, Charterers' Liability, Hull & Machinery, War risks, Loss of Hire insurance and any additional insurance required by shipowners. The Club also writes Hull & Machinery, War risks and Loss of Hire for Mobile offshore units and FPSO's.

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