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costs owners dearly

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SKULD magazine

# beacon

Moscow  
and beyond

PAGES 4-9

ISSUE 188 DECEMBER 2006



**SKULD**

Dear reader

When we started to do business in Russia in 1995 many members were sceptical. After a decade, however, the Russian membership has proven to be an important and well respected part of our mutuality. Consequently, Skuld is proud to be the very first P&I club to establish its own office in Russia.



**Merger issue**

The merger between Skuld and the Swedish Club is moving forward but, due to formalities, the process is going to take some time. A new entity may not be formally established until the end of 2007. Although some critical voices have been heard, the fundamental logic of forming a larger entity is not questioned. I have reason to be optimistic about the creation of a strong new club after receiving a lot of support from brokers and shipowners with vessels entered in Skuld.

**Positive results**

Our markets are developing positively and more vessels have been entered during the year. On the claims side, despite a small increase in the number of reported cases, the cost per case is decreasing. This means claims costs per GT are reduced compared to 2005 figures.

Third quarter results as of 20 November are positive and will reflect well on the full years' results.

**Athens convention**

At its October meeting, the IMO Legal Committee approved a scheme for terrorism cover under the Athens Convention, thus clearing the way for early implementation. The Athens Convention creates new demands for liability levels and has focused attention on the exposure created by ever-larger passenger vessels. Fortunately, there is widespread support among the clubs for a limit on passenger cover but we are sceptical about another proposal involving the purchase of overspill cover.

**Music to your ears**

Skuld has recently agreed to sponsor the Norwegian Chamber Orchestra. This is a quality orchestra with first class musicians who perform both in Norway and abroad. It fits in well with Skuld's quality culture and we hope to hear the orchestra play at Skuld events in the future.

By the time you read this magazine the holiday season is just around the corner. My very best season's greetings to all.

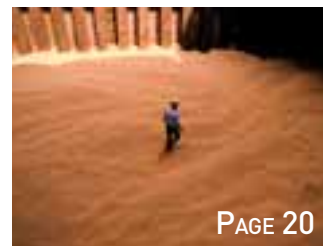
Douglas Jacobsohn  
President & Chief Executive Officer

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FRONT PAGE  
St. Basil's Cathedral in Moscow



# Moscow is open!

*By Ingeborg S. Berge, Skuld, in Moscow*

**In Moscow, Skuld's new but experienced team is busy establishing itself in the market. The focus is on building close-knit relationships with existing and prospective members in Russia, the Baltic region and other Former Soviet Union countries.**

Given Skuld's philosophy of being close to its members and the impressive developments in the region over the last few years, it was only natural to start looking into the possibility of opening an office in Russia.

Skuld's office in Moscow opened in May 2006. In October, an official opening ceremony took place for members, brokers and other shipping contacts.

## **Shipping developments**

After some gloomy years following the breakdown of the Soviet Union in 1991, Russia has entered into a period of growth with major improvements to the economy. This, of course, includes shipping. Taking into account planned developments within oil and gas and the resulting need for ocean-going transportation, it is evident that Russia's future is very exciting.

Simultaneously, the Baltic region, Ukraine and other Former Soviet Union (FSU) countries are developing their shipping activities, which also make these areas interesting to follow.

## **Commercial centre**

As Moscow is the capital and major commercial centre in the area, it is the obvious location for Skuld's office. Today, Moscow is a city of some 12 million inhabitants, many of whom are now



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**TODAY, MOSCOW IS A CITY OF SOME 12 MILLION INHABITANTS, MANY OF WHOM ARE NOW REAPING THE REWARDS OF A GROWING RUSSIAN ECONOMY**

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reaping the rewards of a growing Russian economy. The growth is visible through construction work and a heavy traffic of increasingly modern cars. As a contrast, the spires and domes of the Kremlin and Red Square remind you of a history far from today's modern life.

Outside Moscow is a huge territory that spans 11 time zones and stretches all the way from the Baltic in the West to beyond

*Skuld Russia is located in the centre of Moscow not far from the Kremlin*





*As the capital and most important commercial centre in Russia, Moscow was the obvious choice for the new office*

Sakhalin island and Kamchatka in the Far East.

#### **A growing Skuld membership**

Skuld has a growing membership in Russia and the FSU countries and sees interesting prospects in areas as diverse as the Baltic, the Russian Arctic and Far East areas, and the Black and Caspian seas. Even inland areas with major river systems have potential.

Skuld's current members include Latvian Shipping, Lithuanian Shipping, Estonian Shipping, Kaliningradmorneftegaz (Lukoil), Sevmorneftegaz (Gazprom), Northern Shipping and Sovcomflot. Since opening the Moscow office, several new members have already joined Skuld, the largest being the Far East Shipping Company (FESCO).

#### **The Moscow team**

The Moscow team consists of three experienced staff members. In addition, there is close co-operation with syndicate 2 in Oslo, as well as other head office support.

The Moscow office keeps close contact with existing and prospective members in the area. The aim is to attract more members to Skuld, while at the same time keeping up the 'Skuld standard', i.e. only issuing cover to members that pass Skuld's stringent risk evaluation.

Sergey Verkhovtsev, Skuld Moscow's General Manager, has a university degree in economics. He is a former Deputy



*Team Moscow (from left to right): Ekaterina Pogodina, Sergey Verkhovtsev and Sergey Kamanin*

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**WE ARE HERE TO FIRMLY ESTABLISH OURSELVES IN THE MARKET, BUILD UP GOOD RELATIONS WITH OUR MEMBERS AND PROSPECTIVE MEMBERS, AND ARE EAGER TO PROVIDE THEM WITH OUR VERY BEST SERVICE**

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Director of the P&I Insurance Department of Ingosstrakh in Moscow, and came to Skuld from a position as Director of Marine Insurance in Marsh Moscow.

Sergey Kamanin studied foreign economic relations at the Finance Academy and later specialised in public law at Moscow State Law Academy. He is a former Director of the Cargo Insurance Department at Rossiya Insurance Company and also came to Skuld from a position at Marsh

Moscow, where he was Deputy Director of the Marine Insurance Department.

Ekaterina Pogodina is the new Office Manager of Skuld Moscow. She recently moved to Moscow from Rostov-on-Don where she was a technical secretary in a shipping company. Ekaterina has a background as an English language teacher at Rostov-on-Don State College of Communication and Computer Science.

#### **Positive outlook**

– We have a positive outlook on the future, says Sergey Verkhovtsev. – We are here to firmly establish ourselves in the market, build up good relations with our members and prospective members, and are eager to provide them with our very best service.

# СОВКОМФЛОТ

By Ingeborg S. Berge, Skuld, in Moscow

Sovcomflot has been a Skuld member since 1998. The company operates a huge tanker fleet and has entered into an advanced newbuilding programme of ice class tankers destined to bring them to the forefront of Russian energy transportation.

If you are not familiar with Russian, you might need a translation of 'Sovcomflot'. 'Sov' is the beginning of the Russian word 'modern', 'com' stands for commercial and 'flot', of course, is fleet. This is the 'Modern Commercial Fleet'; a 100% commercially run enterprise owned 100% by the Russian Federation.

Sovcomflot's slogan is 'Delivering Russian energy', and the more you know

## FACT FILE

### SOVCOMFLOT

- Founded: Joint-stock company since 1988
- Number of vessels: 56 (4.2 million dwt)
- Newbuilding: 18 (12 tankers, 4 LNG, 2 LPG, total 1.1 million dwt)
- Head office: Moscow
- Other locations: Limassol (Cyprus), London, St. Petersburg
- Employees: 2,934 at sea, 337 on shore
- Assets (market value): USD 3.2 billion
- Revenue 2005: USD 412 million
- Net profit 2005: USD 143 million

about current developments within Russian oil and gas, the more you appreciate the potential within Russian energy transportation.

### The uniqueness of Sovcomflot

Why is Sovcomflot unique? What is behind its development and what is there in its strategy to support its future ambitions?

Mr. Sergey O. Frank, President & CEO of Sovcomflot since October 2004, is happy to provide the answers. His heart beats strongly for Russian maritime traditions and the challenge of taking Sovcomflot successfully into the future.

### Four corner stones

According to Mr. Frank, Sovcomflot is built on a solid foundation of four unique corner stones:

1. The fleet – Sovcomflot's fleet is one of the youngest worldwide with an average vessel age of less than five years. All tankers are double-hulled and within three years' time one third of its fleet will be ice class tankers.
2. The carriage of Russian energy – oil and gas transportation for Russian and international clients gives Sovcomflot a unique position. Natural barriers, such as the cold climate, ice and the

remoteness of many terminals provide a competitive advantage to Sovcomflot. In addition, growth within the Russian energy sector is at 20% and increasing.

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NATURAL BARRIERS, SUCH AS THE COLD CLIMATE, ICE AND THE REMOTENESS OF MANY TERMINALS PROVIDE A COMPETITIVE ADVANTAGE TO SOVCOMFLOT

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3. The people – Sovcomflot draws on Russian maritime education and tradition. Russian crewmembers provide the advantage of a single language on board Sovcomflot vessels. Specific measures are taken to attract the best crew possible, train and educate them, and retain their loyalty.
4. The access to capital – the requirement of capital for the advanced newbuilding programme is substantial. Apparently, costs are around USD 900 mill. over the next three years. Sovcomflot benefits from favourable financial terms due to a solid reputation with leading international banks.

### Owners' long-term strategy

The corner stones of Sovcomflot are joined together by the clear and long-term

# – delivering Russian energy



*With an average age of less than five years, Sovcomflot's fleet is one of the newest in the world*

strategy of its owner, the Russian Federation. This strategy states that Sovcomflot will develop into a leading international energy shipping company that provides for the growing Russian seaborne energy trade. Shareholder value will be maximised through the introduction of innovative and environmentally-friendly technologies.

– We are a public, commercial and industrial company run by corresponding legislation like any other private enterprise. The only difference is our concentration of power through one single owner, says Mr. Frank. – Nothing in this world is for ever, but in today's reality, I believe that this long-term support is a good framework for Sovcomflot's operations.

## **Background**

Sovcomflot was the very first private Russian shipping company established according to international shipping practices. A joint-stock company was established in 1988 (following an initial bare-boat charter scheme since 1973). In the 1990's, Sovcomflot was transformed into a joint-stock shareholding company



*Mr. Sergey O. Frank in Sovcomflot's head office in Moscow*

**MR. SERGEY O. FRANK**

- Born: 1960
- Marital status: Married, one son
- Title: President & CEO of Sovcomflot
- Education: Far East Nautical Engineering College and a law degree from Far East State University
- Previous positions: Deputy Head of Far East Nautical Engineering College, CFO of Far East Shipping Company (FESCO), Minister of Transport of the Russian Federation (1998–2004)

with 100% of its shares owned by the Russian Federation.

Today, Sovcomflot is a fully-integrated company that includes shipowning, chartering and technical management. Its head office is in Moscow and a new office is planned in St. Petersburg to cover the

technical and industrial management. In addition, there are offices in London and Cyprus. Unicom in Limassol, Cyprus, has the technical and operational management for the established traditional and international tanker operation.

**A high-tech future**

There are ambitious programmes in the pipeline. Sovcomflot is planning for oil and gas developments in the Baltic, Sakhalin and arctic Shtokman and Yamal regions due to come on line from 2010. These projects require advanced ice class tankers and LNG carriers. All vessels will be of first class quality, environmentally friendly and sail with professionally trained captains and crew.

Sovcomflot's clients are oil and gas majors and, as such, very demanding customers. There is a strategic partnership

with Russian Gazprom and current projects for international operators, such as Lukoil, ConocoPhillips and Exxon Mobil.

– We thrive on the challenges and want to be among the very best. We are not satisfied being 'standard', we need to be something special, says Mr. Frank.

**Safety Comes First**

Sovcomflot's logo initials, SCF, have been given a particular meaning; Safety Comes First. The 'SCF 2010' project, invests huge sums in safety measures and the selection and professional training of crew and captains.

– In the future, the limited resource will be people and particularly the top quality people we are looking for, says Mr. Frank.  
 – We plan for this through special programmes for our crew and captains. Our ice class captains will be carrying high-value cargoes of oil and gas under severe conditions through the ice. There will be fewer of them than the cosmonauts, but they will be equally important to us. We want to enhance their prestige, train them and treat them accordingly, says Mr. Frank.

**Profit isn't everything**

Safe operations usually have a positive effect on profitability. As Mr. Frank says – For a commercially run enterprise, profit is the main target. Still, it must not necessarily be the only target. We also take care of our maritime culture and traditions, and support maritime education and our





*All tankers are double-hulled and, within three years, one third will be ice class*

plains and is about as far away from the sea as you can get.

How did a man from this city choose a maritime education and career, which took him all the way to the Kremlin and a position as the Minister of Transport for the Russian Federation before he, two years ago, was designated by the Government to become President & CEO of Sovcomflot?

– I will tell you the story, says Mr. Frank.  
 – And I would like to point out that sometimes an emotional decision may end up being just as good as a rational one.

– Novosibirsk may be far from the sea, but it lies on the river Ob with adjoining lakes. I loved sailing these waters and spent all the time I could there together with my best friend. There are several doctors in my family and as I grew up my father's choice was that I should also become one. My mother was a lawyer and opted for this choice. However, when I was sixteen and my best friend was a year older, he took off for a naval career. It was not long before he called me, describing vividly how wonderful it all was. This is where the emotions came in. I soon followed my friend to Vladivostok, and for me this became a decision that I have never regretted.

local society. For example, Sovcomflot has sponsored youth teams in several regattas, and also saw a StenaSovcomflot victory at the Nookia Oops cup in 2005. Disadvantaged children throughout Russia were supported through a charity motorcycle tour across Russia, called the 'White Nights Rally' and, on the cultural side, Sovcomflot is assisting in the reconstruction and development of Oranienbaum Palace outside St. Petersburg.

#### **P&I with passion**

Part of Sovcomflot's fleet has been with Skuld since 1998. In choosing a P&I club, what criteria do the management emphasize?

According to Mr. Frank, there are three main criteria; 'financial muscles', 'brains and professionalism' and 'a passion to serve'.

– What we are looking for is a combination of all three criteria, he says.

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ACCORDING TO MR. FRANK, THERE ARE THREE MAIN CRITERIA FOR CHOOSING A P&I CLUB; 'FINANCIAL MUSCLES', 'BRAINS AND PROFESSIONALISM' AND 'A PASSION TO SERVE'

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– It can be very annoying if you get the muscles and the brains but, in the case of a serious problem, still find you are only a number way down the list. After all, the 'P' in P&I is for 'Protection', and we also like to see it served with some passion.

#### **Frank'ly speaking**

– **or how sometimes an emotional decision may be just as good as a rational one**  
 Mr. Sergey O. Frank was born in Novosibirsk. If you do not know exactly where that is, then take a good look at the map. It's situated in the middle of the Siberian

*“There are sadistic scientists who hurry to hunt down errors instead of establishing the truth”*

*Marie Curie (1867–1934)*



The human error problem can be viewed in two ways: the person approach and the system approach. Each describes what causes the error and each model gives rise to quite different philosophies of error management. Understanding these differences is crucial when working out means to reduce the risk of mishaps in the maritime industry.

#### **Person approach**

The person approach focuses on unsafe acts, errors and violations of procedures by crew members and others. In this approach, these unsafe acts are a result of unwanted human behaviour or states of mind, such as forgetfulness, inattention, poor motivation, carelessness, negligence and recklessness. Hence, the connected countermeasures are directed mainly at reducing unwanted human behaviour. These methods include campaigns that appeal to people's sense of fear, writing new procedures (or adding to existing ones), disciplinary measures, threats of litigation, retraining, aiming, blaming and shaming. Followers of this approach tend to treat errors as moral issues, assuming that bad things happen to bad people. This approach sees human error as the cause of accidents.

# Human error – consequence or cause

*Compiled from various sources by Morten Lyssand, Loss Prevention Officer, Skuld*

## System approach

The basic premise in the system approach is that humans are fallible and errors are to be expected, even in the best organisations. Errors are seen as consequences rather than causes, having their origins not so much in the perversity of human nature as in 'upstream' systemic factors. These include recurrent error traps in the workplace and the organisational processes that give rise to them. Countermeasures are based on the assumption that although we cannot change the human condition, we can change the conditions under which humans work. Central to this approach is the idea of system defences. All hazardous technologies possess barriers and safeguards. When an adverse event occurs, the important issue is not who blundered, but how and why the defences failed. This approach sees human errors as a consequence of surrounding elements.

## Blaming individuals

The person approach remains the dominant tradition in the marine industry, as elsewhere. Blaming individuals is emotionally more satisfying than blaming organisations. People are viewed as individuals capable of choosing between safe and unsafe modes of behaviour. If something goes wrong, it seems obvious that an individual (or group of individuals) must have been responsible. However, the person approach has serious weaknesses and is poorly matched to the marine industry. Undeniably, continued

loyalty to this approach is likely to prevent the development of safer marine operations.

Another serious weakness of the person approach is that focusing on human error as a cause isolates unsafe acts from their systematic context. As a result, two important features of human error tend to be overlooked. Firstly, every now and then the best people make the worst mistakes; error is not the monopoly of an unfortunate few. Secondly, far from being random, mishaps tend to fall into recurrent patterns. The same set of circumstances can lead to similar errors, regardless of the people involved. The quest for greater safety is seriously hampered by an approach that does not seek out and remove or reduce all causes that may lead to error.

## Error management

Over the past decade, researchers into 'human factors' have struggled to develop tools for managing unsafe acts. Error management has two components: limiting the incidence of dangerous errors and, since this will never be wholly effective, creating systems that are better able to tolerate the occurrence of errors and contain their damaging effects. Whereas followers of the person approach direct most of their management resources at trying to make individuals less weak or errant, followers of the system approach strive for a complete management programme pointed at several different targets: the person, the team, the task, the workplace and the

organisation as a whole. High reliability organisations operating in hazardous conditions with fewer than their fair share of errors, offer important models for what represents a flexible system. Such a system has built-in 'safety health'; it is able to withstand its operational dangers and yet still achieves operational performance.

## Conclusions

High reliability organisations are prime examples of the system approach. They anticipate the worst and equip themselves to deal with it at all levels of the organisation. It is hard, even unnatural, for individuals to remain chronically uneasy, so their organisational culture takes on a profound significance. Individuals may forget to be afraid, but the culture of a high reliability organisation provides them with both the reminders and the tools to help them remember. For these organisations, the pursuit of safety is not so much about preventing isolated failures, either human or technical, as about making the system as robust as is practicable in the face of its human and operational hazards. High reliability organisations are not immune to unwanted events, but they have learnt the skill of changing these sporadic setbacks into improved system flexibility.

If you would like to know more about error prevention, please send an e-mail to [morten.lyssand@skuld.com](mailto:morten.lyssand@skuld.com).

*Main source: [www.bmj.com](http://www.bmj.com)*



# Pirates of the horn

By Dr. Stig Jarle Hansen, University of Bath, England and Atle Mesøy, Protocol, Norway

Piracy in Somali waters saw a drastic increase from two attacks in 2004 to 35 in 2005. So far in 2006, there have been eight attacks and attempted attacks. Somali waters have been amongst the most pirate-infested in the world, but due to the Islamic courts this is changing.

Somalia, located on Africa's horn, is in many ways a 'black hole' when it comes to information. Pictures from the American intervention in 1993 dominate people's impression of the country. Somali politics, although confused and complex, are far from as anarchic as many believe them to be. Warlords, several regional administrations and recently, the Union of Islamic Courts, (UIC), have created zones of relative stability that have reduced or even eradicated pirate attacks. Most of the larger faction leaders, warlords and regional administrations have been engaged in negotiations with outside

partners. As they want to position themselves in the peace process they are keen to satisfy the interests of the major international stakeholders. The main pirate attacks were concentrated in areas where no major factions held control, but the expansion of the Union of Islamic Courts (UIC) has changed this picture dramatically. Somalia is currently separated into four areas. Somaliland and Puntland are autonomous, while major parts of the central and southern regions are under control of the UIC. The remainder falls under control of the Transitional Federal Government (TFG).

## Territorial control and frequency of pirate attacks

Several Somali factions and regional authorities have some degree of control over their territories. This enables the factions in control to punish suspected pirates once they come ashore and, in some instances, even to chase them at sea. On 7 November, the UIC conducted a boarding operation, where a hijacked ship, the *MV Veesham 1*, was secured by its forces. There are notable differences in the frequency of pirate attacks in Somali waters. Piracy seems to be related to the size and strength of the factions controlling the adjacent land.

Small factions have no prospects of gaining power in the international peace negotiations or in the ongoing power struggle between the UIC and the TFG. Larger warlords and regional administrations have a potential interest in quelling piracy in order to maintain cordial relations with key external states, such as Kenya, the U.S., Ethiopia and Eritrea. They have stakes in the current peace process and many have informal alliances with foreign powers. Smaller factions hold no similar interest, which perhaps explains the disparity in attack frequency between different areas in 2005 and during the first half of 2006.



The cruise liner *Seaborn Spirit* anchors in the Seychelles after being attacked by Somali pirates, November 2005





Importantly, the waters adjacent to the strongest military and political actor in Somalia, Somaliland, did not see any piracy incidents in 2005. Somaliland, located in the northwest of Somalia, has been peaceful for the last ten years and generally functions as a democracy.

Bordering Somaliland to the east is Puntland, which although less stable than Somaliland, enjoys relative peace. However, due to increased instability since 2002, the frequency of pirate attacks increased. The incidents were mostly located in a limited area around Caluula, indicating that one group might have been behind most of the attacks. Suspicions abound that some high-ranking figures within the Puntland administration were implicated, as the cousin of the Somali President, Abdullahi Yusuf, has been previously involved in piracy and there was a 'shoot out' over pirate money in Garrowe, the capital of Puntland, in March 2005.

However, a Saudi-owned company, Al-Habiibi Marine Service has been appointed coast guard in Puntland by the administration in December 2005, but has not been able to take up the position. Another company, SOMCAN, (Somali Canadian Coast Guard), which had the contract from 2002 to 2005 still claims to be the official coast guard for Puntland. Three officers from this company were apprehended by Thai authorities while claiming to protect a Thai fishing vessel

and brought to trial in Thailand, where they were given a prison sentence of ten years each for piracy. Recently, a Thai national was kidnapped in Puntland as retaliation. In addition, a maritime security company, Northbridge Marine Services, was appointed by the Transitional Federal Government this year to handle Somalia's maritime security issues. Since most of the coastal areas fell under the control of the UIC in August and September this contract has not been fulfilled and it is highly unlikely that it will in the foreseeable future.

The areas south of Puntland to within the southern border were far more promising for potential pirates. Until the UIC took control of the area in August there were no power structures similar to those held by the strong warlords of Mogadishu, the Puntland administration, the UIC and the Somaliland administration. In the regions of Mudug and Galguduud, the political situation was influenced by the frequent

**THEY HAVE ATTACKED UNITED NATIONS SHIPS WITH RELIEF AID AND ACCUSED THEM OF FISHING ILLEGALLY, ALTHOUGH THEY LACKED FISHING EQUIPMENT**

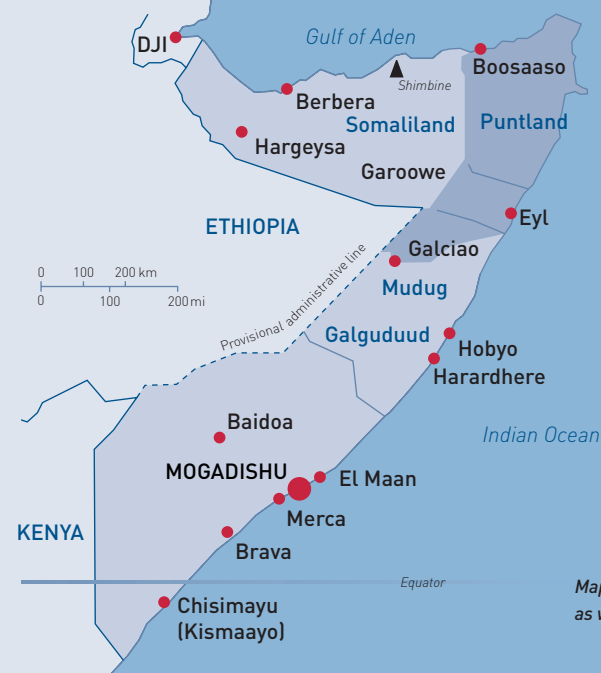
fighting between militias. These factions are too small to have an interest in the ongoing peace process and can not be punished by international sanctions against their representatives. Indeed, it was in the coastal waters of Mudug and Galguduud

**Somali pirates with rocket launchers look for a new target**

that pirate attacks were most frequent during 2005 and the first half of 2006.

One of the areas in the region, Harardhere, was generally viewed to be the base of several pirate attacks. A number of ships captured by pirates in 2005, such as the Grenadines-registered *Semlow*, and the Somali-owned *Ibn Batouta*, have been towed to Harardhere, and many ships, such as the *San Carlos*, have been attacked close by. Many ships have been hijacked by the so-called 'Somali Coast Guard'. Despite having an official spokesperson, Mohammed Hassan, the 'Somali Coast Guard', had no connections with regional administrations, and bears the hallmarks of an illegal organisation. They did, for example, attack United Nations ships with relief aid and accused them of fishing illegally, although they lacked fishing equipment. On August 14, the UIC took control of Harardhere and deprived the pirates of their base.

The area further south around Kismayo was dominated by the Juba Valley Alliance, led by Barre Hiiraale. Nonetheless, it failed to control the area fully – traders in Kismayo have successfully resisted its taxation attempts, and Kismayo harbour was out of its reach. Kismayo, including the areas south of the city, was the second most dangerous area in Somali waters with four reported successful



Map of Somalia 2006. (Developed from CIA map by adding borders of Somaliland and Puntland areas as well as a number of small coastal cities mentioned in the article.) Protocol 2006

attacks in 2005. These areas used to be the fishing waters of Somalia, and the local population had many ships that could be used for piracy. The fishing grounds also made illegal fishing a justification for piracy. The area was occupied by the UIC on 25 September and the Juba Valley Alliance was pushed inland. Piracy effectively ceased from this point.

#### To pay or not to pay

For shipping companies, pirate attacks interrupt business and cost money. When the ship is off-hire this creates significant losses for the shipping company. Of the ten largest vessels hijacked in 2005, the average 'off hire time' for these vessels

was 35 days, which adds up to several million dollars. In addition, it is likely that the shipowners paid a minimum of approximately USD 200,000 with reported sums of up to USD 700,000. It is also plausible that crews might experience psychological strain after incidents, which could add to the total cost.

Somali-style piracy presents the shipowner with many dilemmas. It's imperative to think about the security of the crew on the captured ship, which makes many owners pay the ransom. However, by paying ransom, the shipowner might increase the problem of piracy itself. It is reasonable to believe that some of the ransom is invested in new weapons

and new vessels, expanding the efficiency and range of the pirate group in question.

#### Countermeasures

One of the current responses offered by the international society is Task Force 150. The Djibouti-based Combined Task Force (CTF) 150 that patrols the waters off Somalia consists of warships from Germany, Holland, France, Pakistan and the United States. The unit was established at the start of Operation Enduring Freedom to fight terrorism, and it has actually cooperated with local authorities in curtailing piracy. Together they have been successful in stopping several pirate attacks.

The success of Somaliland, and previously Puntland, in curtailing piracy indicates that partnering with local authorities might be an efficient way of fighting the problem. One strategy could be to support the new Islamic courts that rule in the middle and south of the country, but this risks destabilising the newly established balance of power between the appointed government, the UIC, Puntland and Somaliland.

An additional strategy suggested by the Indian Navy, that declared its willingness to intervene after the hijacking of an Indian cargo carrier *Bhaktisagar* on 26 February 2006, is to make a request to the new government and the UIC for permission to chase pirates in Somali



Photo: Sentinel

Somali factions often use force to retain order

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THE SUCCESS OF SOMALILAND, AND PREVIOUSLY PUNTLAND, IN CURTAILING PIRACY INDICATES THAT PARTNERING WITH LOCAL AUTHORITIES MIGHT BE AN EFFICIENT WAY OF FIGHTING THE PROBLEM

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waters. This is perhaps a more viable option due to the fact that the prime minister of Somalia called for naval assistance from neighbouring countries last October.

As for private security companies' involvement, the internal conflict in Puntland in 2001–2002 made the Hart Security Company withdraw. Similar conflicts are not unusual in the areas where piracy is most common. In this sense, the aid of private security groups might be most efficient in relatively stable regions, such as Puntland. A related solution is to use personnel from these groups as security on-board ships sailing close to Somali waters to serve as a deterrent, although this also increases shipowners' costs. A Korean trawler adopted this strategy successfully this year.

It is also important to remove the major justification for piracy locally, namely illegal fishing in Somali waters. The international community should strive to catch the culprits behind this lucrative business, which angers Somalis and can provide covering legitimacy for Somali pirate groups.

Due to UIC's new stronghold in Somalia, the Islamists will most likely continue to



*Somali police graduates present arms during their passing-out parade at Manyani training camp in Kenya, July 2006*

crack down on piracy in the middle and south of the country. The Sharia laws are strict and the courts have the military strength to keep a certain control.

Task Force 150's apprehension of a substantial number of pirates will probably also decrease the frequency of attacks, but given the opportunities offered by piracy in Somalia, specifically income and a safe haven from prosecution, it is likely that piracy could remain a problem in the future. The situation is undecided at the moment meaning a new war could erupt and once more aid the pirates in avoiding prosecution.

*Protocol is a private security intelligence company operating from Denmark, Norway and USA and serves clients within the private and governmental sectors.*

*The article in this issue of Beacon is an updated excerpt from an article based on five months of intelligence gathering and analysis, and presented for the first time in Protocol's maritime security reports 'Strategic Insights'.*

*For more information please visit [www.protocolsecurity.eu](http://www.protocolsecurity.eu).*



By Marcus Lindfors (left)  
and Sebastian Walldén  
Claims Executives  
Skuld Oslo



# Drug war costs

The struggle against international drug smuggling is on-going and, as exemplified below, the smugglers' methods may be rather shrewd. The results for shipowners and underwriters are increased costs and potentially significant fines.

## Recent drug smuggling

In recent times, Skuld and its members have been exposed to a number of similar incidents involving attempted smuggling of illegal narcotics. In these cases, the narcotics have been attached to the ship's hull or hidden in the rudder trunks. The ships traded from South America and the Caribbean destined for ports in the United States and Europe. In all cases, the narcotics were not discovered until the ships reached the discharge ports.

During mooring and prior to departure, the highest degree of precautionary care and diligence were taken in preventing

drugs from being placed on board, including diving inspections by local naval authorities. The ships also fully complied with their security plans approved by the flag states, SOLAS and the ISPS code. However, regardless of what measures are taken, it is difficult to avoid the imposition of fines, especially in the United States. In the U.S., a distinction is made between 'common carriage' and 'private carriage'; in private carriage the owner and operator are strictly liable for the violation. The rationale is that it is easier for private carriers to control the security of the ship and cargo, whereas for common carriers there is a violation if

there was either knowledge that illegal drugs were on board or a failure to exercise the 'highest degree of care and diligence'<sup>1</sup>.

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IN THE U.S., FINES ARE SET AT A LEVEL TO REFLECT THE 'STREET VALUE' OF THE ILLICIT DRUG, WHICH ON A CASE-TO-CASE BASIS MAY END UP COSTING A SIGNIFICANT AMOUNT FOR THE SHIPOWNER AND THEIR UNDERWRITER

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In the U.S., fines are set at a level to reflect the 'street value' of the illicit drug, which on a case-to-case basis may end up costing a significant amount for the shipowner and their underwriter. As an example, in two of the above-mentioned cases with Skuld-entered ships calling U.S. ports, the fines were set at USD 10.7 mill. for about 270 kilos (600 pounds) of cocaine and USD 4.5 mill. for about 130 kilos (280 pounds) of cocaine<sup>2</sup>. Notwithstanding customs regulations, fines in the U.S. can be mitigated if the incident occurred without wilful negligence; without the ships' interests and intentions to violate the laws of the U.S.; or when otherwise warranted. Further factors leading to mitigation may include implementation of remedial measures,

*Even professional divers couldn't find the drugs hidden in the rudder tanks*



Photo: i-images.no



# shipowners dearly



Photo: i-images.no

*Sniffer dogs hunt for narcotics on a vessel moored in a U.S. port*

proven record of security procedures and co-operation with U.S. Customs. The U.S. Customs may as well relieve petitioners of liability in cases where neither the shipowner nor any of the officers or crew knew, and could not, by the exercise of the highest degree of care and diligence, have known that illegal narcotics were on board. It should also be mentioned that

when a penalty is assessed, the carrier may receive monetary credits towards its penalty liability or recover some or all of the penalty paid to U.S. Customs by demonstrating that it has purchased and installed extraordinary security equipment such as remote cameras, X-ray equipment, or closed-circuit TV.

## **Security measures in the United States**

Many of our members may have been familiar with the U.S. Customs Service's former Sea Carriers Initiative Agreement (SCIA) which, on a voluntarily basis, was open for enrolment to commercial carriers participating in the maritime transportation industry. In short, this program set out various security measures



to be taken by sea carriers with the purpose of stretching the U.S. Custom's security control beyond its national borders to non U.S. load ports. Since March 2006, SCIA is no longer in force. Its provisions have been merged into the Customs-Trade Partnership Against Terrorism (C-TPAT) which, similar to SCIA, is a voluntary anti-drug smuggling program open for enrolment to commercial sea carriers and others involved in the importation of goods into the U.S.<sup>3)</sup> However, as the name indicates, C-TPAT is not an anti-drug smuggling program, but an anti-terrorism program that focuses on supply chain security.

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THE C-TPAT PROGRAM IS RATHER COMPLEX, BUT ITS BENEFITS FOR THE ENROLLED PARTICIPANTS ARE SIGNIFICANT

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The C-TPAT program is administered by U.S. Customs and Border Protection, Department of Homeland Security (Customs). Skuld encourages its members to join C-TPAT. As mentioned, the purpose of the programme is simply to gain sufficient control of the goods while in the international supply chain. For sea carriers, besides prudent oversight for all goods loaded on board, it requires companies to follow actions specified in a signed agreement that includes self-assessment of security systems, answering security questionnaires, initiating enhanced security procedures and communicating these measures to other participants in the supply chain, such as

terminal operators, shippers, etc. The C-TPAT programme is rather complex, but its benefits for the enrolled participants are significant. For example, these benefits consist of a reduced number of customs inspections (thereby reducing border delay times), priority processing for customs inspections, assignment of a C-TPAT security specialist who works closely with the participant to validate its international supply chain of cargo and the possibility to attend customs security training seminars.

#### Examples of recommended preventative measures

Recommended steps to be taken at high-risk ports to prevent unauthorized access, both alongside and at anchor are:

- Use radar, flood lights and night vision goggles to search for approaching vessels
- Use bright lighting in and around the vessel
- Monitor the water around the vessel
- Strictly control access to the vessel
- Hoist boarding ladders high above the water when not in use
- Maintain a continuous gangway watch
- Screen all visitors with metal detectors
- Require visitors to display colour-coded identification badges
- Lock all superstructure access doors but one
- Station additional roving patrols
- Maintain continuous security patrols until the vessel's departure in order to search parts of the vessel and the facility, including berthing areas and

#### U.S. customs inspect a cruise vessel

- immediate areas around the vessel
- Monitor padlocks and seals on unmanned areas
- Complete a security declaration before going alongside the terminal, which includes checking the sufficiency of lighting, perimeter security and access control

The U.S. Coast Guard has also issued a bulletin recommending that shipowners install gratings around the rudder stock to prevent access to the rudder trunking.

For more information about the C-TPAT enrolment procedure, security criteria for C-TPAT sea carriers, etc. please visit the U.S. Customs and Border Protection's website at [www.cbp.gov](http://www.cbp.gov) (see 'Import' / 'Commercial Enforcement').

*1) There is no statutory definition, and very little case law, on 'highest degree of care and diligence'. Basically, the carrier must show that it 'left no stone unturned' to prevent the carriage of narcotics.*

*U.S. Customs reviews the totality of the facts and circumstances of each case to evaluate the extent to which the owner or operator took affirmative measures to discover narcotics aboard the ship.*

*2) These fines have been appealed by Skuld.*

*3) So far, no guidance or information have been provided by Customs on how the SCIA is to be merged into the new C-TPAT program.*



# UKC Voyage Planner™ at a glance

**UKC Voyage Planner™ is a Windows-based software application for predicting dynamic reduction in under-keel clearance (ukc) and safe ship speed prior to entering shallow waters and confined channels. It is designed for use by the ship's officers as part of their passage planning procedures to optimise payload, estimate the tidal window and ensure safe transit speed through ukc-critical areas along a planned route.**

The software is particularly tailored to satisfy documentation requirements for ukc management by authorities and clients, e.g. related to vetting inspections, and is based on accepted theories and methods in ship and marine technologies. A unique ukc algorithm that incorporates all major ukc factors has been developed. These factors can be divided into the following three groups:

- Water level factors: Height of tide, tidal change during transit, allowance for unfavourable meteorological conditions
- Ship-related factors: Static draught, allowance for static draught uncertainties, change in water density, ship squat, wave response allowance, interaction with other ships, heel due to turn and wind, list
- Topographical factors: Dredged/canal width, allowance for sea bottom level uncertainties, allowance for bottom changes between consecutive dredging, dredging execution tolerance

Consequences of poor ukc management may be reduced payload, repair costs, compensation claims, dry-dock charges, time out of service and, in extreme cases, loss of lives (*Herald of Free Enterprise* in

1987). It is therefore very important that the phenomenon of ship squat and other factors affecting dynamic ukc are well-known among mariners, and that ukc reduction and safe ship speed can be predicted prior to entering critical waters.

There are many examples of ships touching the seabed. One such incident happened a couple of years ago to a tanker during its approach to Whangarei harbour in New Zealand. Although its static ukc was well above the 10%, which is often used as guidance for safe bottom clearance, it touched the bottom due to its combined heave/pitch/roll motions in swell conditions. The effect of a ship's response in swell can be easily checked with this software application.

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**IT IS THEREFORE VERY IMPORTANT THAT THE PHENOMENON OF SHIP SQUAT AND OTHER FACTORS AFFECTING DYNAMIC UKC ARE WELL-KNOWN AMONG MARINERS, AND THAT UKC REDUCTION AND SAFE SHIP SPEED CAN BE PREDICTED PRIOR TO ENTERING CRITICAL WATERS**

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*The input pages include ship static data, dynamic data and topographical data*

*UKC Voyage Planner™ is developed and distributed to shipping companies by Nautical Technology Consultants AS of Tengelfjord, Norway. NTC was established in 1993 by Dr. Egil Pedersen with a business strategy that concerns navigational safety at sea in general, and safe voyage planning and operation in particular. Business areas are nautical consulting, software, research and development. For further information please see [www.ntc-as.no](http://www.ntc-as.no). A trial version can also be downloaded from this site.*



# Big trouble over little beans

The problem of shippers trying to force owners and charterers to accept their quantity figures on mates' receipts and bills of lading is not a new one, nor is the practice of trying to include references to Letters of Credit. Yet over the summer months there has been an upsurge of cases involving such issues and therefore it is worthwhile to revisit both the problem at hand and the means of dealing with it.

Measuring the exact quantity of cargo on board a vessel is an inexact science at best. Differences can arise because of varying methodologies, testing equipment (functioning or otherwise), swell occurring during draft surveys, human error and so forth.

Generally – in the absence of good reason to believe the contrary – the ship's figures are to be preferred when taking figures for the receipts and bills. Why? Because

if the vessel discharges all she has loaded then the risk of a shortage claim at the other end is reduced. Shore figures at one end may vary significantly from shore figures at the other end for the very reasons set out above.

#### **Why do owners and charterers not want L/C references included on the cargo documents?**

This is because, in some jurisdictions, it may be held to be enough to incorporate

the L/C terms. Those terms may impose requirements and conditions in respect of the cargo, which are above those of the cargo actually loaded, and hence expose owners and charterers to potential liabilities.

#### **Reality bites**

The typical scenario is that during or at the end of loading the shippers present mates' receipts to be signed off by, or on behalf of, the vessel with shore figures for quantity and sometimes bills incorporating references to L/C terms.

When the owners/charterers and/or their agents reject these, the shippers try to get their way by threatening and subsequently detaining the vessel. This detention can be 'direct' by way of an arrest or 'indirect' by ensuring the vessel is refused clearance to sail. Shippers in South America often wield significant influence locally and hence can take such steps, regardless of whether they are valid or strictly legal.

When confronted with this situation, the owners and charterers are put in a tough

*Shippers in South America wield considerable influence and can use this power to detain vessels*







Photo: i-images.no

spot: fight the shippers and risk a delay – perhaps of several days – or give in. As bulk rates are currently high, a mere day's delay may equal the value of a possible shortage claim, so it is not surprising that one party often makes the decision to bite the bullet.

What are the consequences of accepting say shore figures that purport to show 400 mt more have been loaded than the ship's draft figures?

If the master simply – under pressure from the shipper – signs off the presented receipts as clean and subsequently clean bills are issued then, without more information, the owners are stuck with the shortage claim at the discharge port. They will have no right of recourse against their charterers, even if the Interclub Agreement on Cargo Claims is incorporated. Furthermore, they will have prejudiced their P&I cover for the shortage.

Charterers (whether directly or through their agents) who accept such receipts/bills will also find themselves stuck with the claim – without recourse up or down the charter chain – and their cover prejudiced.

What, therefore, can an owner or charterer do when confronted with such a situation?

The 'easiest' option is, of course, to give in and swallow the loss. At a time of high rates this may be considered a commercial necessity: a simple assessment of what costs more – the delay or the claim. A common practice is the issue of Letters

of Indemnity (LOI), most likely through the entire charter chain, in return for clean receipts/bills.

There are, however, a number of important issues to consider before accepting a Letter of Indemnity.

- (a) It may not be enforceable, especially under English law
- (b) It is generally only as good as the word of the party giving it: a major player can be trusted to honour their word, a fly-by-night operator may decide to cut and run
- (c) It does not prevent a claim being levelled against you in the first instance
- (d) It does not re-instate P&I cover prejudiced previously

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SKULD WILL ASSIST YOU ... AND ADVISE ON, AMONGST OTHER THINGS, THE KIND OF LOI WORDING TO BE USED

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Especially when a LOI is tendered by a party that may not have an intention or the ability to honour the same later on, it is important to carefully assess the matter, perhaps seeking a LOI backed by a first class bank's guarantee. In any event, Skuld will assist you in dealing with this situation and advise on, amongst other things, the kind of LOI wording to be used.

*1,000,000, 1,000,001, 1,000,002.....if the count is wrong then the shipper is stuck with the shortage claim*

Alternatively, there is always the option to fight. Given the prospect of a delay to the vessel, the general background of South American jurisdictions and the sometimes very powerful position of the local shipper, this can seem a daunting prospect.

While there is no guarantee of success, it has been possible in the past to challenge and overcome the arrest of a vessel detained after a refusal to accept shore figures on the bills. Before such action is taken, urgent consideration needs to be always given to the prospects of success in any given locale – again this is something Skuld and its network of correspondents can assist with.

#### **Contact Skuld**

In closing, the best advice we can give is to ensure masters and agents are clearly instructed not to simply sign whatever is put in front of them – even if pressured. Should a situation arise where a significant difference exists between ship and shore figures, or unusual requests are made to include information on the bill, then contact Skuld. Whether directly, or in very urgent situations, we are able to assist through our local correspondents and give prompt, clear-cut advice on the situation at hand and what your options are for resolving it. Even if a decision is made to accept a commercial solution, we can still help in minimising the potential risk and exposure.

## Anchor's away to Hong Kong

The Hong Kong Maritime Law Association (HKMLA) remains an active force for the promotion of legal issues and training in Hong Kong and the surrounding region. As part of its activities, regular meetings are held where guest speakers from around the world are invited to address topical issues of the day.

On 19 September, the HKMLA had the great pleasure of welcoming Mr. Charles Anderson of Anchor Marine to speak at its function at the Foreign Correspondents Club in Hong Kong. Anchor Marine is Skuld's exclusive correspondent in the United States and Mr. Anderson is its long-standing president.

His particular expertise lies in oil pollution and similar issues. He came to speak to a full house of Hong Kong-based lawyers, P&I club representatives and shipowners on important changes to U.S. legislation – in particular oil

pollution and liabilities, as well as practical initiatives undertaken by Skuld and Anchor Marine to further improve the assistance Skuld provides its members in the U.S. The latter includes an initiative to improve communication and relations with the United States Coast Guard, an important player in maritime issues in the U.S.

Once more we had the honour of having Hong Kong's Admiralty Judge, Mr. Justice Waung, preside over the proceedings. He paid particular tribute to Skuld's on-going strong support of the HKMLA and thanked Skuld's Christopher Hall for his many years' participation on the HKMLA Executive Committee, a position now filled by Christian R. W. Ott of Skuld.

Skuld is proud to work with the HKMLA and will continue to participate in its many worthwhile projects, with a view to placing practical and commercial concerns of the shipping industry on the discussion table.

*Charles Anderson of Anchor Marine visited the vibrant city of Hong Kong to speak at the HKMLA*



## Singapore shipping visit Skuld Oslo



On 20 September, Skuld was delighted to welcome a group of nearly 50 shipping management students from Singapore. These students are enrolled in a shipping programme run jointly by the School of Civil & Environmental Engineering of the Nanyang Technical University (NTU) of Singapore and the Norwegian Business College (BI) of Oslo. The students were in Oslo to complete their semester abroad and, as part of the curriculum, visited Skuld to learn more about the P&I business.

Together with the students were Yip Woon Kwong, Associate Professor and Vice Dean, Leong Eng Choon, Associate Professor & Division Head, Wong Yiik Diew, Associate Professor, and Chen Po-Han, Assistant Professor, all of the School of Civil & Environmental Engineering of NTU, and Catherine Bjune, Director of Shipping, Bl. Frank Riley, Senior Vice President, Skuld

ing students

## Improved IT security



*Fifty shipping management students and their professors from Singapore listen attentively to Frank Riley of Skuld*

Defence Services and Emergency Response, had the pleasure of giving a talk on:

1. An introduction to the P&I club system, and
2. Emergency response, including a review of a major casualty

Following the lecture, Skuld hosted a lunch where informal discussions continued.

Skuld is very pleased to have had the opportunity to gain an introduction to students who, without doubt, constitute the future of shipping in the Far East. We wish all of the students the very best in their studies and thank the professors for including Skuld on the students' agenda.

**A nightmare scenario facing every organisation is disablement of their IT systems. Empirical studies indicate that the majority of companies experiencing a serious fire, or similar disaster, that ruins their data systems never fully recover. The reason is, of course, the increased reliance on IT as a means of communication and access to information.**

In order to protect Skuld's ability to provide its members with the service level they expect, Skuld's servers have now been moved off site. In order to add additional security, all servers are mirrored to yet another location. This means that if there is, for instance, a fire at one location, Skuld employees still have access to e-mail, members' insurance data and other necessary systems. Should a fire occur at one Skuld office, employees at other offices can access the necessary data for them. In addition, the unfortunate employees can safely log on from any computer anywhere in the world and continue their work.

Communication lines are often a security risk. In order to circumvent this problem, two different lines have been established to each office. Should one line go down, performance will be slower, but all important work will still carry on.

With this simpler structure and greater utilisation of shared resources, Skuld saves significant amounts of money. We are proud that we can pass these savings onto our members. In other words, less risk at a better price!

***Safe data – Skuld's servers are now moved off-site and are mirrored to a second location***





# Coming soon – web-based declarations



*Vice President Michele Innstrand and Assistant Underwriter Christina Polanscak Bergh plan the new web-based system for charterer declarations*

## **A quick and easy charterer declaration entered directly through the web will soon be available.**

As part of the further development of Skuld's Extranet (the web area for viewing members' statistics and claims reports), Skuld is presently working on a new solution that makes charterer declarations simpler and more flexible.

The project is run by Vice President Michele Innstrand, Assistant Underwriter Christina Polanscak Bergh and IT developers. – To make sure that our solution meets the demands of our

customers, a group of test users consisting of both members and brokers, provide us with valuable feedback, says Michele.

– Having taken note of all their good ideas and comments, we are confident that the solution will provide an easier and more effective method of registering charterer declarations than we have today.

### **When**

The new online charterer declaration will be available from policy year 2007.

### **How**

You identify yourself through the Extranet login (same password as before) and complete the following steps:

1. Select your vessel from a world merchant fleet register
2. Select type of cover
3. Select period
4. Press send

Once the registration has been processed by Skuld, the correct premium will appear.

### **Register once and for all**

Today, charterer declarations are submitted through mail or fax. They often list more details than needed but, at the same time, frequently exclude vital information. Follow-up telephone calls, mails, etc. is time wasted for, and on behalf of, the member.

Through this new and user-friendly solution, we secure that all necessary information is entered from the start. We also believe that many members and brokers will find web registration faster and more flexible than sending a fax, or even a mail.

At the same time as the declaration is transmitted to Skuld, it can also be e-mailed to any third party selected by the member or broker. Registered data may also be exported to Excel or XML files for uploading onto the member's or broker's own business systems, i.e. no double registration is required.

Members and brokers will receive further information in due course.

# Skuld news to your in-box!

Are you missing out on news from Skuld's website?

Why not register your e-mail address and receive updates automatically?

We know it is hard to find time to browse through all the websites you would like to keep track of. From now on, Skuld makes this job a little easier. You no longer need to enter Skuld's website in order to be updated on the latest news. A simple registration has been added, allowing you to receive the latest news directly to your

in-box. You get to choose what news you would like and how often you receive it.

## Two simple steps

1. Go to [www.skuld.com](http://www.skuld.com) and follow the link under 'Login' (lower, left side) to 'Mailing list'.
2. Enter your e-mail address, select the frequency interval for receiving mail and which news groups you want to subscribe to.

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YOU GET TO CHOOSE WHAT NEWS YOU WOULD LIKE AND HOW OFTEN YOU RECEIVE IT

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## News groups

News is divided into four separate subscriptions. Choose just one – or any number of – the following categories:

- Skuld news: Skuld news and circulars, including web-only circulars.
- Legal news: Articles on new judgments, laws, clauses, etc.
- Notices: Notices supplied to us by correspondents, lawyers or other contacts.
- Campaign: Any news published directly on the front page of Skuld's website.



New link to mailing list service on Skuld's home page



Just enter your e-mail address, choose the frequency and select the news groups you're interested in

# Personnel news

## Skuld Copenhagen



**Valérie Baert-Marquard**, 38, is appointed Senior Claims Executive in Copenhagen

Syndicate 1. Valérie obtained her certificate of Maitrise on International Law from the Aix en Provence law university in 1992 and also holds a Masters degree in transport law (DESS). Valérie worked with BSA Insurance Brokers in Paris, CMA in Marseille, The Standard Club in London and a transport law office in Marseille, before joining Skuld's former Paris office as a Maritime Lawyer in 1995. From 1999, Valérie was a Maritime Lawyer/Senior Consultant at France P&I.

## New Lawyer's Licence



**Sandro Vuylsteke**, Lawyer in Syndicate 1 in Copenhagen, received his

Danish Lawyer's Licence in August 2006.

## Skuld Hong Kong



**Jenny Chu** is appointed Claims Executive at Skuld Hong Kong. Jenny

finished her Bachelor of Laws from National Taiwan University in 2002 and worked as Claims Handler in Chiang Marine Services Co. Ltd., Taiwan (correspondent of Britannia P&I Club) from 2002 to 2005. In 2006, Jenny finished her Masters degree in Maritime Law at the University of Southampton. She is a citizen of both Hong Kong and Taiwan and speaks fluent Mandarin, Cantonese and English.

## Skuld Moscow



**Sergey Verkhovtsev**, 45, is appointed SVP and General Manager at

Skuld's Moscow office. He has a five-year education in economics from the University of Sofia in Bulgaria and has worked as Deputy Director of the P&I Insurance Department of Ingosstrakh, Marine Director in Interconsult and Sedgwick and, since 1999, as Director of the Marine Insurance Department/H&M/P&I/Cargo in Marsh Moscow.



**Ekaterina Pogodina**, 26, is appointed Office Manager. Ekaterina is

educated as an English language teacher. She studied humanities, English philology and English language at the Rostov-on-Don State Pedagogical University. From 2002–2004, she worked as an English Language Teacher at Rostov-on-Don State College of Communication and Computer Science and from 2004 to 2006 as a Technical Secretary at Ships' Technical Management in Rostov-on-Don.



**Sergey Kamanin**, 29, is appointed Vice President and Deputy General

Manager of Skuld Moscow. He studied at the Finance Academy of the Government of the Russian Federation and, from 1997–2003, as Director of the Cargo Insurance Department at Rossiya Insurance Company. While working, he studied at the Moscow State Law Academy with public law as a speciality. From 2003 to the present, he worked as Deputy Director of the Marine Insurance Department/H&M/P&I/Cargo in Marsh Moscow.



# Contact Skuld

## Skuld Piraeus



**Mattias Hedqvist**, 33, is appointed Claims Executive in

Skuld Piraeus. Mattias studied law at Lund University and finished his Master of Law in Maritime Law at Oslo University in 2002. Mattias has worked in Skuld for the last four years, first as Claims Executive in Syndicate 1 and, since 2005, in a 50/50 trainee lawyer position in Defence Services/Syndicate 1, before joining Skuld Piraeus.

## Skuld Singapore



**Christopher Hall**, 37, is appointed Vice President, Head of Skuld Singapore

Representative Office. Chris received a Bachelor's degree in Political Science and Asian Studies from the University of Michigan in 1991 and a law degree from Tulane University in New Orleans in 1995. From 1996 to 1998, he worked as an Attorney at the maritime law firm Nourse & Bowles LLP in New York and, from 1999–2006, as Claims Executive/Lawyer/Senior Lawyer at the Skuld Hong Kong office.



**Patricia Hansen**, 40, is appointed Office Administration and Claims

Assistant at Skuld Singapore. Patricia is born in Singapore, but moved to Norway in 1991. She is educated at Stanford Business College in Singapore and worked in different positions in Singapore and Norway, before joining Skuld as Claims Assistant in 1999.

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# Skuld news

## Third quarter results set club record

The third quarter has produced a positive technical result and significant return on investments. Added to the solid USD 20 mill. result after the second quarter, the third quarter results set a record for Skuld and takes the club to yet another level of financial robustness.

## Your personal news service – courtesy of Skuld!

Are you missing out on the latest news from Skuld? A new facility now allows you to register your e-mail address via Skuld's website and receive the latest news directly to your in-box. See page 25.

## Coming soon – web-based declarations

From policy year 2007, a new solution for quick and easy charterer declarations, entered directly through the web, will be available. See page 24.

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