

Wendy Ng
Claims Director
Charles Taylor Mutual Management (Asia)
Pte Ltd (Singapore)

“The role of P&I in offshore oil and gas
production and transportation”

Role of P&I in offshore oil and gas production and transportation

Wendy Ng
Charles Taylor Mutual Management

The Standard



- the International Group of P&I Clubs
- the Pooling Agreement
- poolable and non-poolable contracts
- the Standard Club non-Pool reinsurance programme

CTC

The Standard



The International Group

- what is the International Group of P&I Clubs?
- answer - a mechanism for:
 - sharing risk, thus minimising exposure
 - pooling claims for maximum cover
 - stabilising insurance premiums (calls)
- how does it do this?

CTC

The Standard



The International Group - mutuality



CTC

The Standard



The International Group - limits

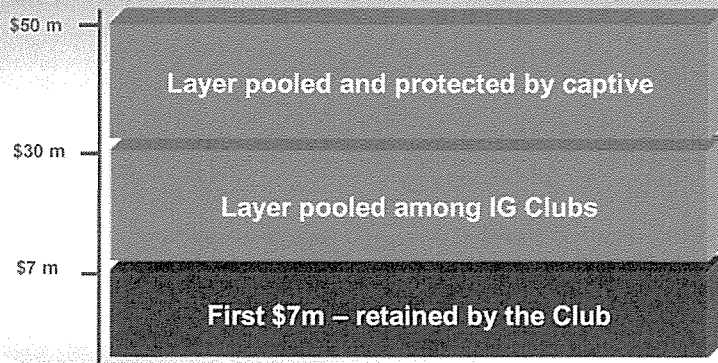
- poolable limit = US\$ 5.6 billion
- sub-limits
 - US\$ 1 billion oil pollution
 - US\$ 3 billion crew and passengers

CTC

The Standard



The International Group – the Pool

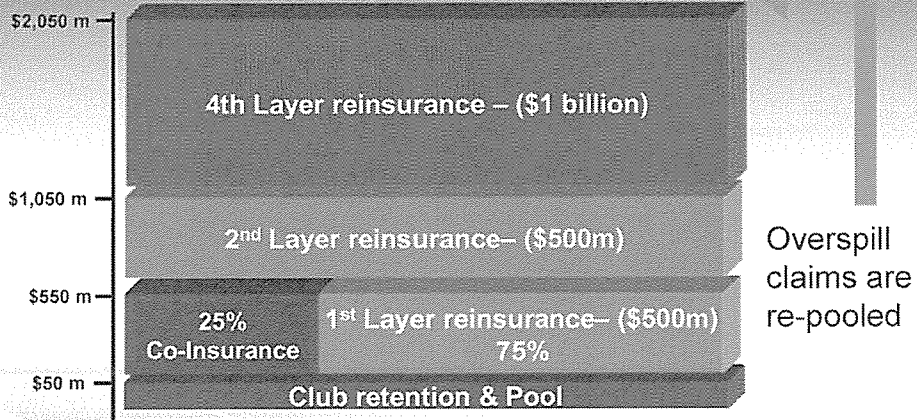


CTC

The Standard



The International Group – US\$ 5.6 billion limit



CTC

The Standard



The International Group – poolable cover

- advantages
 - high financial limits
 - low cost
- disadvantages
 - overspill calls
 - restrictions on cover
 - non-poolable liabilities

CTC

The Standard



The International Group non-poolable liabilities

non-poolable because

- type of risk
- type of contract
- the Pooling Agreement

CTC

The Standard



The Pooling Agreement – exclusions

agreement to control claims

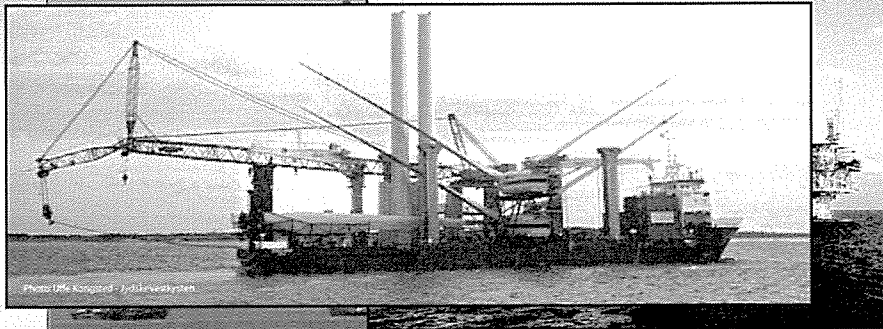
- exclusions
 - by reference to type of work
 - by reference to type of ship
 - by reference to legal liabilities assumed

CTC

The Standard



The Pooling Agreement – type of work



CTC

The Standard



The Pooling Agreement – type of work

liability arising out of:

- specialist operations ✘
- ROV operations ✘
- diving operation ✘

• liability arising out of:

- wreck removal of entered ship ✓
- personal injury on board entered ship ✓
- pollution from entered ship ✓

CTC

The Standard



The Pooling Agreement – type of ship



CTC

The Standard



The Pooling Agreement – type of ship

- liabilities arising in respect of ships
whilst carrying out:
 - drilling operations *
 - production operations *

CTC

The Standard



The Pooling Agreement – type of legal liabilities

- mutuality
 - no liability beyond the law
- no waiver of right to limit
- liability arising
 - in tort eg negligence
 - under statute
 - under contract acceptable to the Pool

CTC

The Standard



The Pooling Agreement – acceptable contracts

- “services to” *versus* “services by”

CTC

The Standard



The Pooling Agreement – acceptable contracts

“services to”



CTC

The Standard



The Pooling Agreement – acceptable contracts

- “services to”
 - less room to negotiate
- best endeavours
- no waiver of right to limit
- towage of an entered ship

CTC

The Standard



The Pooling Agreement - towage of an entered ship

- liability under contract only
- “customary” towage (less room to negotiate)
 - harbour towage
 - towage of barges
 - no contractual provisos (“services to”)
- ocean tows (more room to negotiate)
 - acceptable contract only (“services by”)
 - knock-for-knock or industry standard

CTC

The Standard



The Pooling Agreement – acceptable contracts

“services by”



CTC

The Standard



The Pooling Agreement – acceptable contracts

“services by”

– more room to negotiate

- no liability beyond the law

OR

- knock-for-knock
- towage by an entered ship

CTC

The Standard



The Pooling Agreement - towage by an entered ship

- liability under contract only
 - acceptable contract only (“services by”)
 - knock-for-knock in relevant jurisdiction
- OR
- no liability for tow’s negligence
 - no waiver of limitation
 - Himalaya clause
- supply boat contracts
 - check towage provisions

CTC

The Standard



The Pooling Agreement - definition of Knock-for-Knock

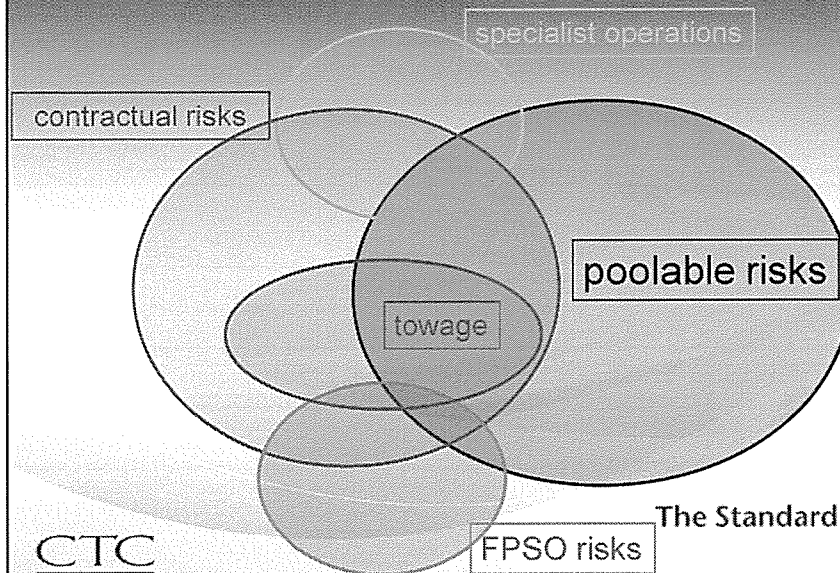
- i. each party shall be responsible for loss of / damage to and/or death of / injury to, any of its own property / personnel, and/or property / personnel of its contractors and/or sub-contractors;
- ii. responsibility shall be without recourse to the other party and notwithstanding fault or negligence of any party;
- iii. each party shall, in respect of the losses or damages or other liabilities for which it has assumed responsibility correspondingly indemnify the other party

CTC

The Standard



Non-poolable liabilities



CTC

The Standard



The Standard Club non-pool reinsurance programme

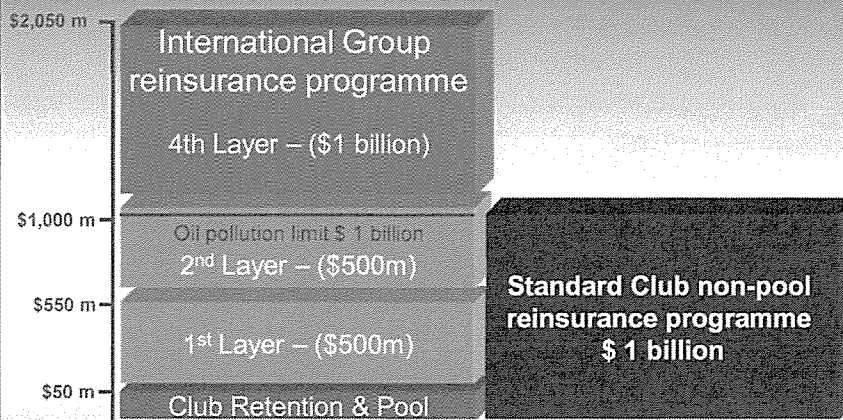
- coverage for non-poolable exposures
- comprehensive programme
 - US\$ 1 billion of cover
 - Club has underwriting authority
 - security S&P A-rated or above

CTC

The Standard



The Standard Club non-pool reinsurance programme



CTC

The Standard



The Standard

Setting the standard for service and security

www.standard-club.com

The Standard 