

# THE AMERICAN CLUB HOSTS ANNUAL MEETING

## REPORTS EXCELLENT RESULTS FOR 1999

**The American Club hosted its 83rd Annual Meeting in New York on June 15. At the same time it presented its Annual Report and Accounts for the year ended December 31, 1999.**

Paul Sa of Standard Shipping Inc., Chairman of the American Club, discussed the progress made during the year.

### ***“1999 was another excellent year for the American Club.***

*Despite difficult market conditions, characterized by soft rates and less reliable investment returns, the Club once again made great progress. Its tonnage expanded and its membership base grew broader. The Club’s finances also developed well. Total assets and funds under management both increased. Statutory and GAAP surpluses remained firm. It is fair to say that the Vision 2000 strategy adopted*

***“The American Club stands ready to embrace new and exciting opportunities”***

*in the middle of the 1990’s has been fulfilled. I thank all those who have supported the Club over the past several years, and look forward to making further progress with Members and friends in the years to come.”*

Speaking in conjunction with Mr. Sa, Joe Hughes, Chairman of Shipowners Claims Bureau, Inc., Manager of the American Club, reviewed the highlights of 1999 and plans for the future.

### ***“Members can look back on 1999 with satisfaction.***

*In addition to a substantial increase in tonnage – particularly at the most recent renewal – the Club’s outreach continued and its financial performance remained strong. Total assets during the year increased by over 4% and investments under management by about 10%.*

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# THE AMERICAN CLUB

## VISION ★ 2000

Growth with responsibility

Diversity of flag and vessel type

Enhancement of financial strength

Maintenance of strict quality control

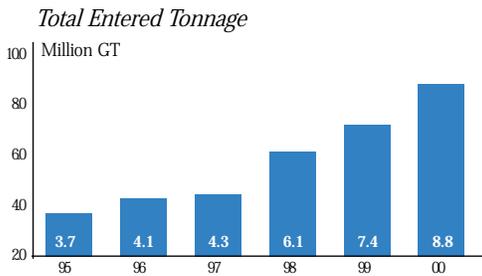


# ACCOMPLISHED

The accompanying tables illustrate that these goals have been accomplished.

### Growth with Responsibility

Entered tonnage over the years 1995 to February 2000 has more than doubled.



### Maintenance of Strict Quality Control

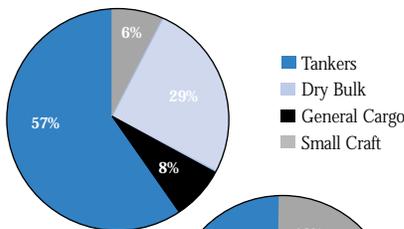
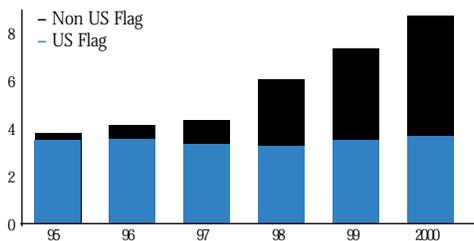
The Club's size provides for a high level of personal service and flexibility. The addition of the London office has improved access and response time outside the United States. Regular loss prevention visits, seminars and materials are provided and available. The Club's New York domicile, with its uniquely rigorous levels of audit control and operational transparency, ensures its thoroughly sound financial position.

### Flag & Vessel Type Diversification

The Club has attracted many new overseas members. Where in 1995 U.S. flag tonnage accounted for close to 95% of entered vessels, the percentage of non-U.S. flag tonnage now exceeds that flying the U.S. flag.

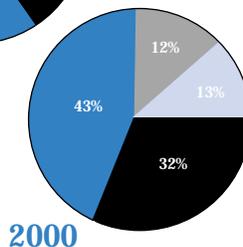
The distribution of tonnage by vessel type has also shifted so as to reflect a truly international membership.

*U.S. and Non-U.S. Flag Tonnage - million GT*



### 1995 Flag & Vessel Type Diversification

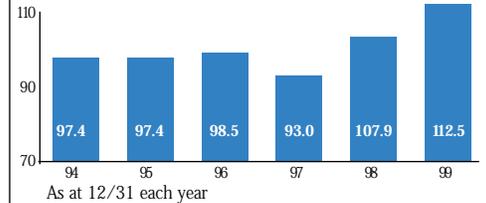
Tonnage by vessel type at 1st March each year



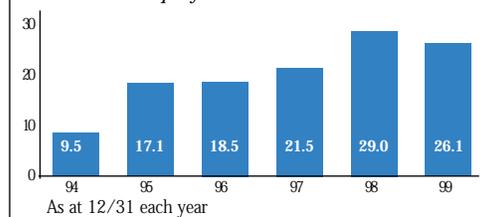
### Enhancing Financial Strength

The Total Assets, Member's Equity, and Investment Income tables show the impressive development of the Club's financial strength.

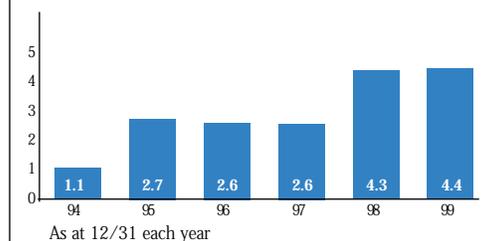
*Total Assets - US\$ millions*



*Members' Equity - US\$ millions*



*Investment income - US\$ millions*



Although there was a slight erosion of statutory surplus and Members' equity during the period, the Club's contingency fund grew by \$2.5 million to December 31, 1999. It has grown yet again during the first quarter of the current year to approach \$40 million, a record figure."

"The Club's commitment to the international shipping community was reaffirmed in many ways during the year. In particular, the London liaison office continues to do an excellent job in serving the needs of the local market and those based further East."

In assessing the direction the Club had taken in the closing years of the second millennium, Mr. Hughes looked to the future.

***"The American Club's accomplishment of its Vision 2000 goals should be seen as a springboard to further success. Despite the many changes, both actual and envisioned, currently shaping the P&I industry, the Club's focus will continue to be the supply of the highest and most responsive levels of Member service at the best value for money. And, in meeting the challenges of the years to come, the American Club stands ready to embrace new and exciting opportunities in the single-minded promotion of the best interests of its current and future Members."***

Following the Annual Meeting, the Directors hosted an evening of dinner and dancing aboard the Motor Vessel "CELESTIAL" as it cruised around Manhattan.

# SAFETY



## We are the enemy...

Eighty five percent of all accidents in the marine industry occur through human error rather than by gear and equipment failure, with that understanding, engineering for safety must begin with the human being.

Each worker has his or her own problems and troubles to resolve. Each individual has hopes and ambitions, physical weaknesses as well as strengths. Each is self-motivated with his or her own interests and values. In going through life, he or she has taken and will take many short cuts and chances. He or she has formed and will form many unsafe habits. But, because he or she is unique, a person cannot be programmed like a machine. He or she has to be treated as an individual.

Safety is a very personal problem and here lies the often overlooked key to accident prevention. Injuries occur to a person, and, regardless of the agent producing the injury, mechanical, electrical or chemical, the method by which the agent acted, or the sequence of events, the one common denominator in all injury mathematics is the human being.

Because few people are gifted with foresight, they tend to disregard safety

regulations which interfere with what they want to do at the moment. They adjust machinery while it is in motion, remove guards which are not welded on, and forget to lock out a switch. Old ways, repeated and reinforced because they get the job done, tend to become habits which result in accidents. It's axiomatic that people do not like to adopt new ways because new procedures demand a change in behavior, learning new skills or altering attitudes. It's human and completely normal to resist change when we are getting along to our own satisfaction.

To limit injuries, managers must resist the temptation to write a manual or set of safety regulations, issue a statement supporting the safety effort, and then await the day that injuries stop. Accident prevention will never be that simple. If it were, injuries would have disappeared from the industrial scene years ago, for many companies, both large and small, have approached the problem from the viewpoint that established rules and regulations will prevent accidents.

Unfortunately, one fundamental fact is overlooked. The very person with the most to lose by injuries—the worker—is the weak link in the safety chain. Safety involves a constant battle against the negative forces of human indifference, carelessness and negligence. Just one weak link in the chain of operations can, and often does, result in disaster. A poorly rigged or defective gangway can result in injuries to ship personnel or longshoremen. Yet some masters and deck officers are offended when a

potential hazard is pointed out to them, even though safety is their responsibility.

All persons sometimes do things of which they are not proud. And we don't necessarily appreciate the person who reminds us. Because we do not want our inadequacies to become known, we always have our mental fists up to protect our pride, to save face.

Self esteem is indeed one of a person's basic needs. People will quarrel, even fight, to protect it. This is an important point for the supervisor whose workers feel their boss is too inquisitive about "their business." They might fear that their inefficiencies or shortcomings will be exposed, and they may be embarrassed. Defensive people tend to reject new ideas, new methods. They don't want anyone prying into their operations, or offering advice. In dealing with people who have a defensive manner, a good supervisor must balance the scales, praising good performance and safety practice, while offering logical suggestions for improvement.

Even though this is the era of the expert, people throughout our society tend to resist the specialist who comes around to see what's going on and to offer unsolicited advice. That's human too, but the trained safety engineer can make a contribution, in improving work practices or in design of safety equipment.

As the safety of the physical work environment has improved because of stringent design standards, safer equipment, inspections and material testing programs, and use of guards, interlocks, and other devices, the safety record also has improved. Today, human error is involved in the vast majority of injury-causing accidents. But, controlling the human being is obviously a much more complex undertaking than redesign of equipment or work spaces.

Meeting the challenge of safety requires knowledge, fortitude and per-

sistence on the part of all shipboard supervisors in conducting on-the-job training and follow-up procedures. It demands understanding people and the forces which motivate them. Supervisors, from the master down, must enforce accident prevention practices. However, it should be recognized that no safety program can ever hope to reach perfection. Human beings never will be infallible. Human minds will wander; frustrations have an adverse impact on behavior; uncomfortable working conditions affect physical coordination, and fatigue takes its toll and hampers both judgment and physical responses. Lack of knowledge, familiarity with equipment and professional skills also tend to be reflected by rising accident rates.

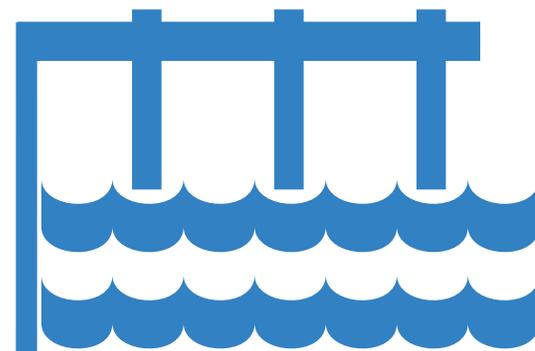
All of these truths should be recognized by workers and supervisors alike. It may well be true, as a managerial doctrine indicates, that everyone's work is no one's work. But, safety is an obvious exception to the rule. Safety is everyone's job.

An ounce of prevention is indeed worth pounds of cure. Alertness and awareness of danger are important to the safe worker, for a person who knows an accident can occur will try to avoid it. If a crew member expects that a hatch might become unlatched and fall on him or her, they will make certain that the toggle pin secures the latch before they descend the ladder into the compartment below, for survival is most paramount among human needs.

A well organized and effectively implemented safety program is a means to an end, a system for insuring human survival and limiting painful injury. It is a means of promoting efficiency and economy, for safe workers are more productive, as is well maintained equipment and machinery. In short, everyone has a stake in safety—and all share the responsibility.

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Members are encouraged to visit their website:  
[www.uscg.mil/hq/g-m/moa/casualty.htm](http://www.uscg.mil/hq/g-m/moa/casualty.htm)



## SURVEYOR CAUTIONS ON RE-USE OF CARGO SLINGS

Houston surveyors 3D Marine USA Inc. warn that they have recently dealt with claims regarding rust damages to steel pipes/tubes which were pre-slung with nylon/polyester slings. The galvanized coating of the tubes was effected by corrosion associated with chlorides from nylon or polyester slings, evidenced by patterns on the effected areas consistent with the weave of the fabric.

Apparently the slings, once used on vessels are left on the deck and exposed to salt spray while discharging around the U.S. coast, and then ultimately collected and re-used for subsequent cargoes. This cause of corrosion might be kept in mind when loading steel cargoes.

# RECENT ARRESTS IN EGYPT



Our correspondent in Alexandria, Eldib Advocates, has warned that there have been several arrests of vessels recently, particularly in the Port of Suez, for failing to settle accounts for provisions and/or services allegedly provided to the vessels. In each of the cases the suppliers were able to submit invoices with the signatures and stamps of the Masters and the ships. In most cases the Masters verified their signatures/stamps but were unable to explain how they came to be affixed to the invoices. In other cases, it was determined that the signatures and stamps were forged.

Our correspondents have also received reports of incidents where persons identifying themselves as representative of "Society Marine Environment Protection Committee" impose certain expenses on vessels in respect of alleged measures to protect the environment. The Suez Canal Authority has confirmed that the SCA is the only authority in Egypt controlling the Suez Canal, which includes environmental protection, and no other party has this authority.

Members trading to Egypt are warned to instruct their Masters not to sign any blank papers, nor leave any blank spaces, above their signatures. In case of any suspicions about any persons or of their identity or authority, especially with regard to alleged members of environmental protection groups, Masters should contact the Club's correspondent, Eldib Advocates at the following 24 hour numbers:

**Eldib PANDI +20-12-32 73 620**

**Eldib Advocates + 20-12-21 77 414**

*Members should also instruct their local agents not to allow anyone on board or allow any services to be rendered, unless authorized by their agents in writing.*



news...

## NEW YORK OFFICE RELOCATES

After 20 years at its old Hanover Square headquarters, Shipowners Claims Bureau moved into their new New York offices on the 37th floor of 60 Broad Street on June 23rd, more than a week ahead of schedule. Members are encouraged to visit and tour the new location, which offers superb views of downtown Manhattan and the harbor.

## VIDEO TAPES AVAILABLE

The Managers have previously distributed the videotapes "ONBOARD POLLUTION RESPONSE" and "BUNKERING OPERATIONS" to the members. We still have on hand a limited supply. Any members desiring additional copies may contact:

Don Moore  
Phone: (212) 847-4509  
Fax: (212) 847-4599  
e-mail: [dmoore@american-club.net](mailto:dmoore@american-club.net)

## upcoming events...

### BOARD MEETINGS

September 14, 2000, 10:00 AM  
New York Office

November 9, 2000, 10:00 AM  
Vierjahrezeiten Hotel  
Hamburg, Germany

### RECEPTIONS

November 8, 2000, 6:00 PM  
Anglo-German Club  
Hamburg, Germany

December 13, 2000, 12:00 Noon  
London Office

# STAFF



# NEWS

On April 4, 2000, Vincent Solarino was elected President and Chief Operating Officer of SCB, a position left vacant after Thomas McGowan retired. Vince has played an increasingly important role in the business of the Club over the past few years since he rejoined the management. In addition to his having continual oversight of the American Club's accounting, regulatory and financial affairs, Vince will assume control of more of the management company's administrative functions.

At the same time, Gary Strevell, Don Moore, and Ian Farr were elected as new Directors of Shipowners Claims Bureau. Gary remains the manager of the claims department, and Don continues in his role as loss prevention officer and chief personal injury claims executive. The election of Ian Farr, as head of the London Liaison Office, reflects the very important role now played by that operation.



Ms. Anna Quinn was promoted to Assistant Vice President in May.

In recognition of their outstanding contributions to the orderly relocation of the New York office, Ms. Dorothea Parascandola and Ms. Vicki Paradise have been appointed Office Managers.

The managers are also pleased to announce the recruitment of Mr. Royston Deitch to the London office. Mr. Deitch has over 15 years experience in the marine insurance field. He is a solicitor and was formerly the Deputy General Manager of the Hong Kong office of another major International Group Club.

SCB also welcomes Ms. Diane T. Reyes, who joined the underwriting department following a tour of duty with a major insurance broker.



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