

Levene warns of watchdog's bite

By James Brewer

LORD Levene, chairman of Lloyd's, has warned that its watchdog system is sharpening its surveillance of danger signs in the marine and energy insurance markets.

He reminded the sector during Houston Marine Insurance Seminar of the readiness of Lloyd's to take tough decisions that meant syndicates would have to leave.

He said that the insurance market as a whole was still paying dearly for the mistakes of the past, most of which related to pricing, and franchise performance director Rolf Tolle and his team were determined there should be consistent, strong financial performance.

"The recent fortunes of the

marine market have been less than good," said Lord Levene. "In some ways, they have mirrored the behaviour of the wider markets, but in other respects, the marine sector's predicament runs rather deeper.

"Particularly intense competition, and a series of heavy losses, have hit the bottom line particularly hard over the last decade. "Insurance rates have not increased until recently, and at levels markedly lower than those experienced in the non-marine sectors, and they fall a long way short of securing the consistent profitability and long term stability required for the marine market to prosper again."

Signs of price competition

Poor health forces Choi to resign as Hanjin president

By Sam Chambers in Hong Kong

AFTER just 20 months in charge, Hanjin Shipping's president Won-Pyo Choi has stepped down, citing health reasons.

Mr Choi has been with the Hanjin Group, including Korean Air, for 38 years and will retire on September 30. He took over the reins when the previous president Kim Chan-gil resigned in August 2002 also for medical reasons. He officially took on the post of president in January last year.

The Hanjin board has promoted the 59-year-old Jung-Won Park as the new president and chief executive of the company. Mr Park has been with the group for 32 years.

In his time he has headed up bulk subsidiary Keoyang Shipping, as well as having been in charge of Hanjin's Long Beach and New

York offices in the 1990s. Hanjin has also promoted Young Min Kim from senior executive vice-president to a newly-created post of chief operating officer.

Hanjin Shipping has become a far more financially-solvent company in the last four years. Its alliance with Asian giants Cosco, K Line and Yang Ming gives it a very solid footing on the container field, where it has been especially strong on the transpacific. The company operates around 140 vessels including containerhips, liquefied natural gas tankers, and bulk carriers.

Chairman and chief executive Sooho Cho said: "I thank Mr Choi for his lifetime services with Hanjin Group and wish him all the best for his well-earned retirement."

Panama overhauls fines to win back flag business

IN its first act, the new administration of the Panama Maritime Authority has moved to neutralise one of the main reasons why some of its highest profile, most reputable operators have abandoned the flag, writes *Rainbow Nelson*.

The world's largest flag of convenience will fall into line with rival open registers by modernising its process of imposing fines on owners for detentions and deficiencies on their ships.

"From this date, the sanctions applied to ships under the Panamanian register will be executed in a scientific manner, based on inspection reports with a maximum validity of one year," said Fernando Solorzano, the PMA's new general director of the Merchant Marine department.

Under the previous administration, the inefficient processing of fines, said

Mr Solorzano, resulted in some owners being fined for deficiencies that were detected while the vessel was operated by previous owners.

In the last three years, such fines and the inability of owners to appeal against decisions has resulted in the wholesale defection of at least two respected operators and large users of the flag, UK-based shipmanager Zodiac Maritime, and Pacific Tankers.

Zodiac switched more than 70 ships to other flags due to persistent problems with the previous administration, while Pacific Tankers has also switched more than 30 vessels for similar reasons.

Under the new guidelines, fines will have to be levied on any reported infractions of maritime regulations within a year. In line with international practices employed by flags of conven-

ience such as Liberia and the Bahamas, a process where owners are able to contest such fines will also be introduced.

"To ensure their right to defend themselves, owners will be permitted to inform the Maritime Authorities within a determined timeframe of the correction of deficiencies and provide an explanation surrounding the circumstances of the detention of the ship, or the deficiencies," said Mr Solorzano.

It is hoped that efficient processing of such reports will encourage the use of the flag by quality shipowners helping to bring down the flag's detention rate by encouraging owners to implement improvements and simultaneously strengthen the register's position as the world's largest.

Despite moves by companies such as Zodiac and Pacific Tankers, the register continues to grow, with

figures for last year showing that the total number of vessels increased by 120 to 10,254. Overall, 670 new vessels were added to the fleet in 2003, accounting for more than 13m gt of new tonnage, compared to 550 cancellations or 11m gt.

Jazmina Rovi a partner at Morgan & Morgan lawyer, the company that acted for Zodiac Maritime, welcomed the move. "In a single day we got better news than on the whole five previous years with the previous administration," she said.

The new PMA administration has also committed itself to remove restrictions on the organizations that can apply ship security plans under the International Ship and Port Facility Security Code, a key bone of contention between the register and shipowners during the last twelve months.

San Juan, Puerto Rico - Sept.

The 522 foot general cargo ship KENT RELIANT laden with 8,500 tons of newsprint and lumber products ran aground outside San Juan Harbor, Puerto Rico. Owners of the vessel awarded the contract to Titan under LOF 2000 terms.

Response & Results:

Within 24 hours of the incident, Titan had mobilized a salvage team and 40,000 pounds of equipment to the scene. Approximately 100,000 gallons of bunkers and oily water were removed from the vessel prior to the refloating. Having sustained considerable bottom damage and flooding, the vessel was successfully refloated after lightering approximately 4,500 tons of cargo and dewatering of various tanks by air pressurization and the use of 5 tugboats.

USA • P.O. Box 350465
Ft. Lauderdale, FL 33335
Tel: 954-929-5200
Fax: 954-929-0102

UK • New Road, Newhaven
East Sussex BN90HE
Tel: +44 (0) 1273 515 555
Fax: +44 (0) 1273 515 556

website: <http://www.titanalsalvage.com> e-mail: titan@titanalsalvage.com

DAMAGE STABIL