



The International Group and its Secretariat

We have looked elsewhere in this magazine at the origins of the International Group. In this article, Mr Lloyd Watkins, Secretary to the International Group, describes the day-to-day work of the Secretariat and explains how it supports the crucial – but largely unseen – work of the International Group.

The International Group's origins date back to 1899 when six British Clubs joined together to form a cost-sharing Pool. Now, over 100 years later, the International Group has grown to 13 P&I Clubs (only three of which are registered in the UK), covering over 90% of the world's ocean-going tonnage; there is a Constitution defining the objects of the Group and an Agreement (the International Group Agreement – or IGA, as it is commonly known) that regulates the way in which the Clubs compete with each other; and claims are pooled in accordance with the provisions of the International Group Pooling Agreement, a contract running to almost 100 pages.

Much of the Group's development has taken place over the last 30 years. In the 1960s, the Group only met formally once a year, in September. From 1970, however, the number of meetings increased to four or five a year, and the range of topics began to widen considerably. Oil pollution, insured values, limitation and container liabilities suddenly began to appear on the Agenda as regular items – together with the first mention of scrutiny by the EEC (now the EU). The subjects discussed look eerily familiar, don't they?

The first Group Constitution was agreed on 8 December 1981. On that date, the Group obtained a registered office (in the offices of the West of England P&I Club) and my appointment was confirmed as the Group's first formally appointed Secretary and Executive Officer.

The Constitution has changed little over the intervening years and the latest version (dated 20 February 1993) re-states the Group's key objectives:

'...to afford opportunities for the discussion and consideration of matters of interest to members of the Group... and to shipowners and others insured by members of the Group...;

'...to monitor and review the scope and operation of the IGA, the Pooling Agreement and other agreements relating to areas of mutual interest to the Group...;

'...to promote the interests of the Group and of shipowners and others insured by members of the Group by representation to other organisations, governments or inter-governmental organisations; and

'...to maintain consultative status with the International Maritime Organisation...'

Many shipowners talk of the Group and the Pool as if they were virtually the same thing. This is not surprising, perhaps, since all of the Clubs that are signatories to the IGA are also signatories to the Pooling Agreement. The IGA is the cement that holds the Pool together and, without it, the Pool would inevitably fracture and collapse.

However, the Group is much more than just a mechanism for sharing large claims and purchasing reinsurance – just as the Secretariat is more than just a group of people employed to administer the Pool!

As the objectives quoted above indicate, monitoring and reviewing the IGA and the Pooling Agreement only represent a part of the work undertaken by the Group and its Secretariat. The bulk of the work relates to the work of the Group at the IMO, administering the numerous Sub-Committees and Working Groups that exist to review matters of common interest, and express views (both orally and in the form of written submissions) on maritime issues to other government and non-governmental organisations. Before describing this work in a bit more detail, however, it is probably worth explaining the structure of the Group and how it is administered.

Every year, at the Annual General Meeting (AGM), the Members of the Group elect a Panel of five representatives. Their job is to oversee the work of the Secretariat and perform all treasury functions on behalf of the Group. The Group has a Chairman, who is elected for a term of three years. The Chairman, the Panel members, the Secretary and the Executive Officer (who may be one and the same person), comprise the officers of the International Group. The Group meets formally three times a year, with the AGM taking place in November, and each of the 13 Clubs is accorded one vote.

Unquestionably, these Group meetings are important events. A wide variety of topics is discussed, ranging from the Group budget to matters affecting cover for claims, levels of retention, the Group reinsurance contract, legislative developments (and, in particular, proposed new conventions) and designated reserves. The Group also receives reports from the many standing and ad hoc Sub-Committees and ad-hoc Working Groups dealing with various Group issues. The Sub-Committees are formed from appropriate representatives drawn from all of the Clubs, and the sheer volume of work that they undertake is remarkable, as can be seen from the following list of Sub-Committees and some of the Working Groups:

Group Sub-Committees
Accounting Standards Sub-Committee
Amicus Briefs
Bills of Lading
Capital Adequacy
Claims Co-operation
Claims Database
Claims Made
Co-assured
Compulsory Third Party Liability Insurance
Confirmation of Entry
EU Sub-Committee
FMC: FUT and Non-Performance Guarantees
General Average
Information Technology
Maritime Security
New York Produce Exchange Agreement
Occupational Diseases
Personal Injury Sub-Committee
Pilotage
Pollution
Pooling Agreement
Production Operations/Specialist Craft
Regulatory Affairs
Reinsurance
Representation (Correspondents)
Salvage
Ships' Standards
War Risks P&I
Working Groups
Calcium Hypochlorite
CLC/Fund Revision
Collaboration with Commercial Insurers
Detention of Seafarers
Discretionary Claims
Money Laundering
Panama Canal Authority
Passenger Cover
Regulatory Affairs FSA
Reinsurance Strategy Working Group
US Representation
US Terrorism Insurance
VRP Contracts
Equasis
Designated Reserves
Ship Technical Committee

Another key purpose of the Group is to provide input to the International Maritime Organisation (IMO), where it enjoys observer status. The Group has an important part to play where new conventions are being promulgated through the IMO. A considerable amount of time is spent in explaining to IMO committees and to government representatives the insurance implications of many new proposals. Currently, for example, the Group is heavily involved in the proposed revision of the CLC/Fund regime as well as the implementation of the Protocol to the Athens Convention.

All of this work requires the diligent support of a secretariat. Currently, the Secretariat employs three executives (including me) and a secretary. We arrange meetings, take and distribute minutes, undertake research and provide information to the Sub-Committees and Working Groups. We also represent the Group at inter-governmental meetings, for example, IMO, UNCTAD, Uncitral and the EU Commission as well as with individual governments.

Very occasionally, as when the status of the IGA was under the scrutiny of the European Commission, our work at the Secretariat assumes a high profile and is widely reported in the press. However, for most of the time, we work unobtrusively in the background, supporting and, I hope, strengthening the work of the Group.

It is difficult to see how any system, other than the mutual Club system, could possibly support such an organisation. Britannia's commitment to the Group, and the considerable contribution of its Managers, should help to secure its immediate future – and, with any luck, the next 150 years as well!

