

Sam Kendall-Marsden



AMADEO I - before



Sunday 24 – Tuesday 26 September 2017
Queen Elizabeth II Conference Centre, London

IGP&I CORRESPONDENTS
CONFERENCE 2017

AMADEO I – after



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Amadeo 1 – key information

- Ro-ro/passenger ship
- Built in Norway, 1976
- 9,737 GT
- Operated on remote route between Puerto Montt and Puerto Natales in southern Chile
- Fjord environment – restricted manoeuvrability
- 28 crew
- 17 passengers
- Cargo: cattle, frozen goods, vehicles, machinery and hazardous goods





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The casualty

- 18 August 2014
- Kirke Canal, Punta Arenas
- Struck a submerged rock
- Cause: helmsman error
- Deliberately grounded and partially sank

The casualty

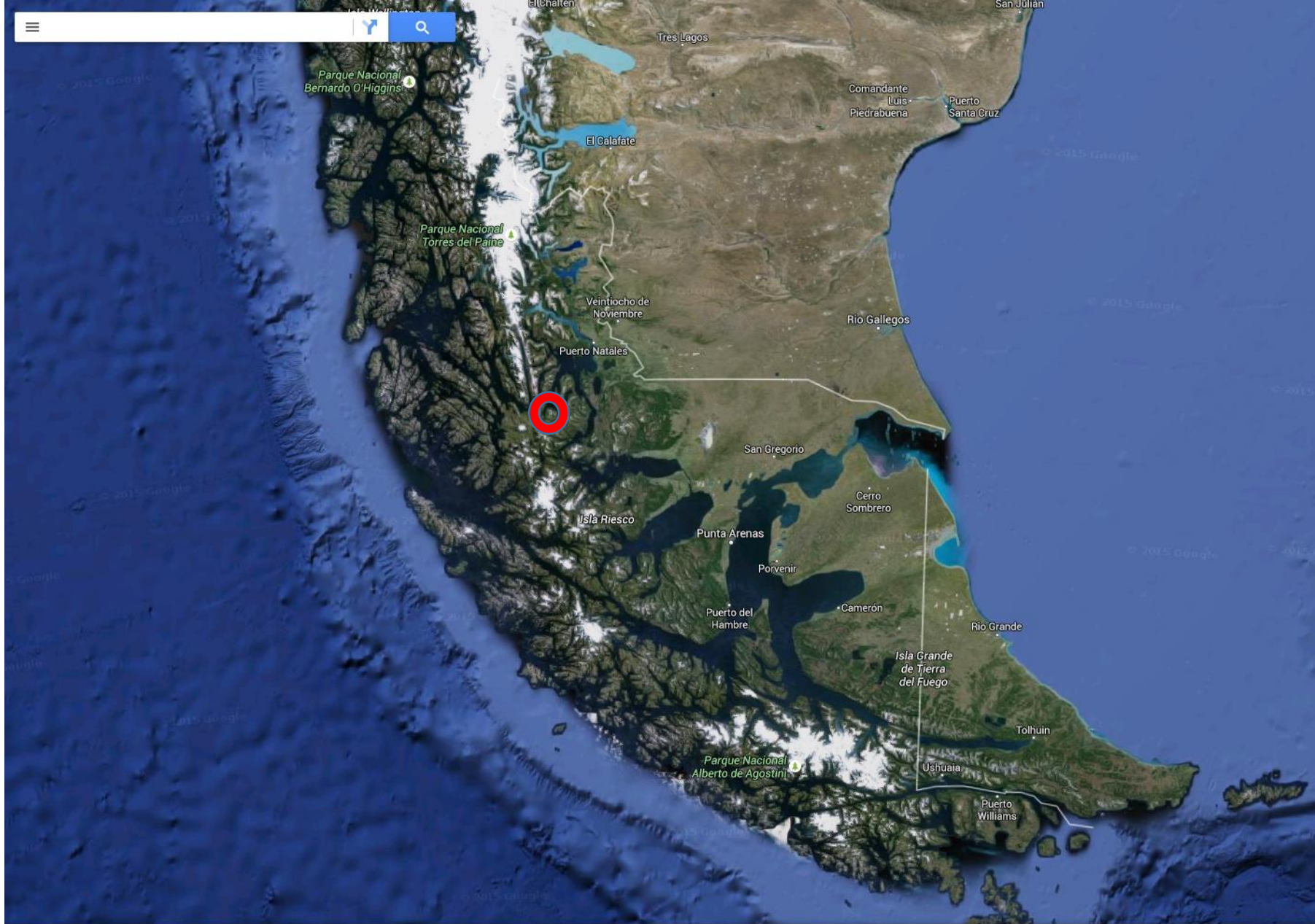
- List 68 degrees to starboard, trim 11 degrees to stern
- No casualties
- Cargo loss and damage
- Limited pollution - bunkers and lubricating oil
- Environmentally sensitive tourist area
- National parks, fish farms, bird colonies and sea lions



@ITOPF

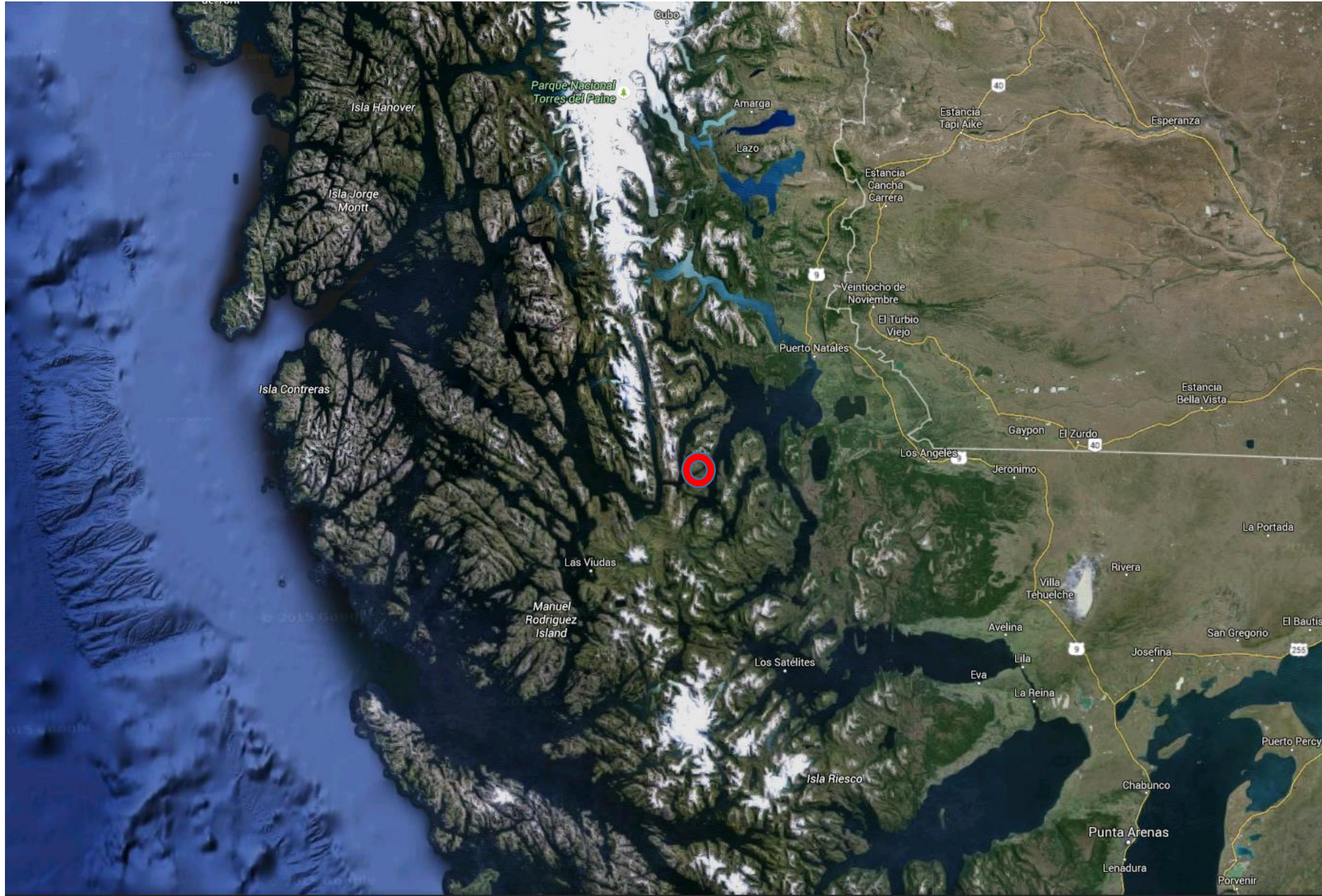
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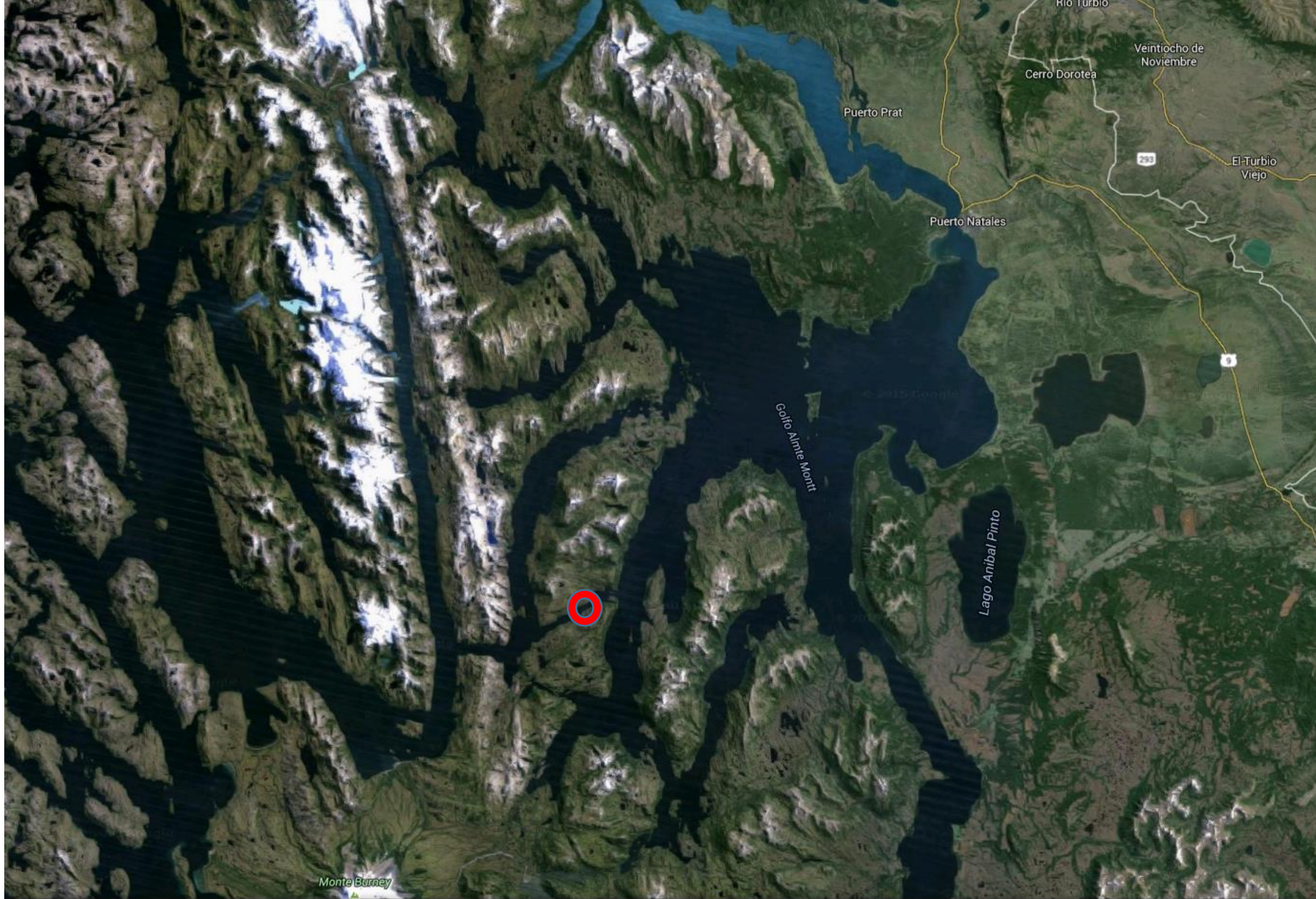
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Club cover

- Crew
- Passengers
- Cargo
- Pollution
- Wreck removal
- Fines
- Fees



Controlling the Cost in a Wreck Removal Casualty – AMADEO I”

Andrew J. Cave
Managing Director
Cave & Cia. Ltda.
www.cave.cl

Structure

1. Introduction
2. Our role in cost control
3. Cost control in the “AMADEO I” case
4. Conclusions

1. Introduction

- Cave & Cia. Ltda. is a second generation family company dedicated 100% to managing casualties and handling claims for P&I and other marine insurances.
- On 1st October we complete 47 years in business.
- We have the privilege of being correspondents for all of the Clubs in the IG and have been directly involved in almost every major casualty in Chile.
- We are proud to be founding members of SAPIC.

2. Our Role in Cost Control

- Nowadays more than ever the local knowledge insight and connections that the Club correspondent can bring to the table in relation to cost control is a valuable tool in every Club and ship owner's kit.
- Not only can we offer the experience distilled from past cases, but also the standing and relationships with local Authorities and contractors.
- Additionally, understanding the mentality and communication codes key to any negotiation.

3. Cost Control in the “AMADEO I” case

- OSR
- Operating platform
- Caretaking
- Cargo claims
- Transportation of debris
- Time savings

OSR

- Previous experience with local suppliers resulted in lower rates than those proposed by international salvors participating in the International Tender to remove bunkers.
- Daily supervision and reports ensured they kept on track.
- We estimate the saving for the Club to be roughly **15%** on this item.

Operating Platform

- A barge was hired to serve as operating platform for OSR, as well as for lodging and catering.
- We negotiated working and standby rates, saving the Club roughly **10%** of the original cost.

Caretaking

- This was performed by our On Site Casualty Manager, thus excluding this requirement from the ITT.
- This saved the Club roughly **20%** on this item.

Cargo Claims

- Aside from a few insurance companies, claimants were of a very particular nature.
- They were people, customers of the Member, with no insurance and who expected full payment of their claims, based on next to no supporting documents.
- Despite the above, we managed to negotiated settlements across the board at roughly **70%**.
- We further avoided the arrest of other vessels belonging to the member and the pursuit of the claims in Court.

Transportation of Debris

- Cargo and garbage recovered from the wreck had to be shipped to Puerto Natales.
- We negotiated better rates than salvors were offering, saving the Club roughly **35%** on this item.

Time Savings

- Every operation -Removal of Bunkers, Spill Clean Up, Removal of the Wreck, Dumping at Sea- required the proper clearance with the Chilean Authorities.
- These can take time, which translates to contractor's standby charges.
- We and lawyers appointed to the case participated actively in seeing to it that the delay for this reduced to the minimum and be successful the first time round.
- Our track record and relationship with them was crucial in achieving this.

4. Conclusions

- Cost control is the result of a **Team Effort** of all concerned:
 - Club
 - Members
 - Correspondents
 - Contractors
- Correspondents have much to offer when it comes to casualties and can add value to achieving a successful outcome, not the least, in terms of cost control, as the “AMADEO I” case demonstrates.

- Correspondents cannot survive on casualties.

If the Clubs and their members want us there for the big ones, we need to be there also for the little ones.

THANK YOU
For your kind attention



Andrew J. Cave - Cave & Cia. Ltda. - Chile