

Examining the processes and declaration of general average



Contents

- Procedures to be followed when an incident occurs:
- Which persons should be notified?
- Which reports need to be made and collected?
- What should the incident plan look like?
- Owner's / P&I point of view
- The role of the P&I surveyor and General Average surveyor

Procedures to be followed when incident occurs



What does the shipowner do?

- Notify interested parties:
- *Charterers*
- *Insurance brokers*
- *P&I Club*
- *Ship's agents at destination?*
- *Salvors?*

What does the shipowner do?

- Call an Average Adjuster!
- *Confirm whether general average exists*

What does the average adjuster do?

- Is it worth pursuing general average claim?
- *Size of claim?*
- *Policy absorption clause?*
- *Cargo value?*
- *Commercial relationships?*

What does the average adjuster do?

- Draft declaration of general average
- Issue general average security documents
 - *Average Bond*
 - *Average Guarantee*

What happens next?

- Cargo response
- P&I Club involvement
- Shipowner decisions

Cargo response

- Provide security
- Defence against general average contribution?
- Was incident caused by ship's unseaworthiness?
- Surveyor access, provision of documents etc.

P&I Club involvement

- Protect the shipowner – any liabilities?
- Determine appropriate response to cargo requests
- Send a surveyor?

Role of the P&I Surveyor

- Cargo condition
- Pollution
- Interview crew
- Joint surveys
- Accompany cargo surveyors

Shipowner decisions

- Practical decisions:
- *How to deal with the casualty?*
- *How and where to effect repairs?*
- *What to do with the cargo?*
- *How to complete voyage?*













Role of the general average surveyor

- Act on behalf of all interests
- *Assess any general average sacrifices – ship and cargo*
- *Oversee any transshipment or discharging/reloading operations*
- *Joint surveys with hull and cargo surveyors*













Conclusion

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