

## Korea P&I Correspondent Guidelines

The Korea P&I Club(KP&I) is recommending our members and captains to get advice and assistance from the Club's Correspondents on the list recently published by the Club, when they are in trouble or faced with unexpected difficulties. Every year our Club updates and revises this Correspondent list and this list is updated frequently without an official notice as it is done so whenever it is required. Those registered on the list are representing to be KP&I's correspondents only and are not an agent of the Club. Unless the Club's approval is obtained in advance, the Correspondents should not act as to placing any responsibility on the Club and/or Members.

This guideline aims to provide a brief and simple guidance to our Correspondents regarding P&I related matters and any dispute or misunderstanding arises thereof should follow the KP&I's judgment and decision.

The purpose of this guideline is to advise the Correspondents of the service they should provide, which is to explain;

- 1) what kind of service the Club needs in broad terms,
- 2) how an accident should be notified to the Club at an initial stage and how the progress of claim should be reported to the Club from then onwards,
- 3) the procedure of appointing lawyers and surveyors on behalf of the Club.

This guideline should not be understood as an instruction to follow but rather a guidance which is used to provide a high-quality service to both the Club and our members.

1. Correspondents' availability (available at all times)  
Working in shipping industry means being available at all times since any kind of accidents can happen at anytime, anywhere.  
Thus the list of Correspondents have to be up-to-date therefore any changes of staffs, address or phone number has to be reported to the Club so that it can be amended immediately. KP&I Correspondent list can be found in the Club's official website; [www.kpiclub.or.kr](http://www.kpiclub.or.kr).
2. Appointment of Third Parties  
The Correspondents should contact the Club as soon as you get notified of any accidents from Captains, Crews or Agencies and also it is important for you to guide the captain, crews and agencies that they should judge and act as if they were Uninsured Prudent Owners.

In case of emergency, where it is hard or impossible to contact the Club for whatever reason, you should take action that is most appropriate and reasonable to the situation considering the Clubs' and members' best interests. You should seek for the Club's approval/instruction right after doing so.

To check whether a particular vessel is entered with KP&I, you can ask the vessel directly or the shipowners for a copy of insurance certificate or you can search the Club's website.

If you or any appointed party is asked to take certain action, you should always consult and discuss with the Club to avoid any potential dispute.

Unless the Club approves or agrees, the survey report should never be made public to any third parties. You should appoint the surveyors of excellent standards with good reputations. It is also very important to obtain and forward the preliminary survey report to the Club by emails or faxes as soon as it becomes available.

It is of same importance to forward the final report without any delay.

The invoices of the survey fee should be examined and checked thoroughly before it is sent to the Club whether the survey fee is reasonable or not considering the type of the case and the usual rate in that area etc.

The survey fee invoices should be made in an itemized list with the actual expense marked separately.

The invoice should be made to the owner of the subject vessel stating, for example, "to (name of the owner or charterer and address), c/o Korea P&I Club".

If the name and address of the shipowner is unknown, you should contact the person in charge of the subject case.

3. Preliminary results of cargo surveys

The preliminary survey report should include the followings;

- 1) Name of the vessel
- 2) Type of the cargo/ Number of Bill of Ladings
- 3) Date and place of loading and discharging
- 4) Type and extent of damaged cargo
- 5) Total invoice value or possible salvage value of damaged cargo
- 6) Cause of the damage (if possible to determine)
- 7) Information of the concerned parties (Consignee, Stevedore and any other relevant parties involved in loading and discharging operation).
- 8) Information of all participants attending the inspection (e.g. details of surveyor appointed by cargo owner/ cargo insurer/ P&I Club)

The result of the survey should be explained in detail in the final report and if necessary the statement of the captain or crew or other relevant parties should be included or attached in the report.

4. Dangerous Cargo

As soon as you are informed or become aware that dangerous cargoes are carried on board of our member's vessel, regardless of how the information is obtained, you should report to the Club immediately.

5. Pre-loading Surveys / Condition Surveys

Our members may request to arrange a pre-loading survey or condition survey to your office directly. If they do so, you should report to the Club immediately to be instructed in detail of how it should be carried out. If you are requested to appoint a surveyor for preloading survey, you should instruct the surveyor to cooperate with the Captain in putting any remarks on the Bill(s) of Lading.

6. Oil Pollution

In case of oil pollution accidents, the initial action taken by the correspondents is of vital importance. However this should not mean that you have the authority to take any action on behalf of the Club without an official approval of the Club.

When you have to deal with "Major Oil Pollution" accidents, you should report to the Club immediately and obtain an instruction from the Club by telephone/fax/email without any delay.

You should assist and advise the Captain to report such major oil pollution accidents to relevant department promptly in accordance with law and legislation of the place where such accidents occurred.

If such accident has occurred in USA, it should be dealt with according to the 'Response Plan' of the vessel.

7. Guarantee

The Club can issue L.O.U. or other guarantee letters when requested by our members in accordance with the rule of the Club. Unless the Club authorizes, you should never issue or provide L.O.U. or other guarantee letters.

8. Major Catastrophes

When major catastrophic accidents occur, you should contact the Club immediately to our office during business hours otherwise contact them through personal mobile phones outside business hours.

9. Personal Injury  
When serious casualty cases occur, it is important to report to the Club immediately since the Club has many crew/passenger experts.

10. Stowaways  
If any stowaways are found on board the ship, it should be reported to the Club immediately.

11. Correspondents' Bill  
The invoice of the Correspondent fee (including the survey fee if appointed by you) should be sent to the Club as soon as the work is done for the case. In the same manner as the survey fee invoice is issued, the invoice of correspondent fee should be made to a particular member, for example, "to (name of owner or charterer and address, c/o Korea P&I Club)".

The invoice should contain the timetable and detailed list of expenses in order to check the reasonability of correspondents' fee and it should also attach the vouchers of all costs.

If the name and address of the member is unknown, you should contact the person in charge of the particular case.

All the invoices claimed to the Club should be made in same currency.

12. Case reference, etc.  
You need to advise who is the person in charge of the concerned case. It would be handy to mention the name of the vessel and your reference number for the Club to check/ find out the case quickly.

13. Changes in local maritime laws and regulations  
You should notify the Club of any changes or amendments made to relevant laws and regulations or any enactment of laws as soon as it is known. In this way, the Club will be kept well-informed of recent status of the laws, so that same information can be given to our members through Club's websites or newsletters.

14. Claim Handling  
The relationship between the Club and their correspondents is based on trust and confidence. You should know the best way to handle a claim and act for the Club and member's interest and benefit.  
Your opinion/ suggestion/ comment/ advice about the liability and estimated loss which could be imposed on our members should be provided to the Club promptly. But any service cost of Correspondents, lawyers, surveyors and any other 3<sup>rd</sup> parties should not be included in the estimated loss.  
The estimated amount of loss provided by correspondents will help the Club to set up most appropriate free reserves.  
You need to report every stages of the progress of the case. Reporting to the Club should be done in all cases and if any problem or difficulty arises working with our members, surveyor etc., it also should be reported without delay to the Club.  
The Correspondents cannot negotiate or agree on a settlement agreement nor pay the settlement money in advance on behalf of the Club or the members unless they are already authorized to do so by the Club or the members.

15. Appointment of Lawyers  
Our Club is well aware of the fact that our correspondents have enough experience in appointing and supervising the lawyers, and best knowledge/ information about the local lawyers. Nevertheless we hope to clarify what Club expects from you in appointing lawyers through this guideline. It is important to appoint lawyers based on the type of each case taking into account the lawyers' own experience, ability and knowledge.

In most of the cases, the appointment of lawyers should be made immediately based on your own judgment. But if the time is allowed, we recommend you to appoint lawyers after collecting and considering the opinions/ advices from the Club and members. You should

also bear in mind that some members has their own preference for lawyers. In any case, you should report to the Club as soon as the lawyer is appointed.

The instruction for lawyers should be given in written form and if they are instructed verbally or on the phone, it should also be confirmed in written form. However, you should check whether there is any conflict between the lawyers and our members or whether they can act for our members before giving any instruction to lawyers.

You should remember that you have the responsibility to supervise the progress of the case even after appointing lawyers. You should instruct the lawyers to discuss with the Club through you about all important matters such as appointing an expert which may cost a considerable sum.

Moreover, the lawyers should report all important stages of the case on regular basis to the Club and the member concerned.

You should always keep the Club informed on all details of case and obtain an instruction from the Club before taking any measures.

There may be the case where the lawyers give advices to the Club or members directly depending on circumstances, when they do so you should instruct the lawyers to keep you informed of all communications (i.e. emails sent as CC) so that you are aware of all relevant matters of the case.

You must review and check the appropriateness of the fee claimed by the lawyers. Every expenses incurred in relation to the case must be checked thoroughly and if the lawsuit is expected, the estimated legal costs must also be checked.

The lawyers' fee should be reasonable amount considering the hourly fee and actual hours spent by the lawyers.

You must pay particular attention on whether the lawyers are acting to protect the Club's and members' interests or whether any unnecessary work is carried out by them.

Once again, it is extremely important for you to always keep in mind that you have the obligation and responsibility to act for the Club's and members' interests.

16. Time extension

You should never agree to time extension with any parties unless they obtained an explicit authority from the Club or members.

17. Trial / Arbitration / Mediation

You should never submit to the Court, arbitration, mediation of any dispute or claim unless they are instructed by the Club in advance.