



Company News

Gard wins the 2016 Cuthbert Heath Award for casualty response handling

On 8th September 2016 Gard won the Insurance Insider Cuthbert Heath Award (Claims and Losses) – a prestigious London Market award for an insurer's response to a major claim event. [<http://www.insuranceinsiderhonours.com/pages/Winners>] (<http://www.insuranceinsiderhonours.com/pages/Winners>)

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Gard was nominated for its immediate response to the Höegh Osaka casualty in January 2015 and was up against tough competition from major insurers such as AIG, Beazley and XL Catlin. The award judged an organisation's ability to rise to the extraordinary challenges of a major claim event, including the best deployment of the organisation's in-house resources, as well as the ability to coordinate and organise third party suppliers to the benefit of all parties.

As the lead hull insurer and P&I Club, our assured shipowner benefited from an holistic and hands on approach, founded on Gard's broad competence and practical experience. Gard was also able to speak with one voice on the insurance issues, which gave all stakeholders assurance that the casualty was being managed in a very competent manner without compromising risk to life or the environment.

Acting fast and doing the right thing in a major casualty is second nature to everyone at Gard. Please see the below case study.

On the night of Saturday 3rd January 2015, the vehicle carrier, MV HÖEGH OSAKA, developed a severe list and grounded on a sandbank outside Southampton. The crew and pilot were quickly rescued, two crew members taken to hospital and the rest to the Seafarers Mission. Dramatic pictures of the casualty sparked significant public and media interest. Hoegh, the shipowner, had lead hull insurance and P&I cover with Gard. The combined value of hull and cargo, of mostly brand new luxury cars, was well over USD 100 million.

Gard immediately activated its contingency plan, which prioritises people, environment and then assets. Applying a philosophy of "prudent over-reaction", resources were activated to respond to a potential worst case scenario – personal injury, pollution, wreck removal, total loss of ship and cargo and port disruption.

A crisis team was mobilised from three offices to co-ordinate the casualty response. The first priority was the crew and, by the early hours of Sunday, a senior member of Gard UK's claims staff was transferring them to a local hotel. Further staff assisted by buying clothing and necessities at a supermarket and accompanying the master for checks at the hospital.

Through the night, the environmental and property risks were addressed. A Lloyd's Open Form contract was signed to ensure that the salvage operation commenced without delay. The salvors had a team inspecting the ship on Sunday morning, together with a salvage expert appointed by Gard. Gard also appointed a pollution expert and together attended all Salvage Control Unit (SCU) meetings chaired by the Secretary of State's Representative for Maritime Salvage and Intervention (SOSREP).

As the lead hull insurer and P&I Club, Gard was able to closely co-ordinate lawyers, surveyors and technical specialists. An early constructive dialogue with cargo interests and others having claims against the ship avoided any legal actions. The authorities' requirements for interviews were arranged so as to allow quick repatriation of non-essential crew.

Within three weeks, the ship was re-floated, brought upright and safely back to berth without any pollution. All the crew made good recoveries. Specialist contractors were engaged to discharge badly shifted vehicles and the

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complexities of re-delivering and transshipping the cargo were ironed out. Gard continued to attend on site and assisted with arrangements to repair the ship, which was ready to resume service seven weeks from the casualty.

Over ten members of staff, backed by Gard's deep experience, provided a swift and comprehensive response to a major marine casualty. Costs were reduced for the property interests, the shipowner was back to business and society protected from environmental damage.

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