



Crisis Management – the Gard approach

When Members and clients find themselves in a crisis, Gard aims to achieve the best possible result through proactive, professional and co-ordinated handling of the situation. Our focus is on the best outcomes for personnel, environment, ship, cargo and the reputation of our Members and clients.

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As part of our core purpose to help our Members and clients manage risk and its consequences, Gard has developed an extensive organisation to assist with resource management and decision making in the wake of a serious casualty. In this Insight we describe Gard's basic approach to crisis management, looking at what constitutes a crisis and what we do to assist our Members and clients when a crisis arises.

What is a crisis?

Gard's definition of a crisis is any incident with potentially undesirable consequences that lie well outside the normal range. There will typically be a potential for significant public interest and severe long-term negative effects, both financial and operational. This is a necessarily broad definition and encompasses a wide range of casualties and circumstances such as collisions, groundings, fires, significant personal injury, pollution and many more.

The role of the shipowner

The shipowner will always be in the immediate line of fire and will retain ownership over any crisis that affects or is caused by the vessel. Gard's role is therefore to support the shipowner and provide access to resources and decision-making authority such that the crisis can be brought to a timely and successful conclusion.

Prudent overreaction

The Gard duty phone is manned by experienced staff 24/7 and in the event of an incident where urgent assistance is required our Members and clients are encouraged to call as soon as practicable. In accordance with our crisis management plan, a decision will be taken upon receipt of first information as to whether to mobilise the crisis team. The overriding philosophy is one of *prudent overreaction* - it is always better to secure and mobilise resources at an early stage and stand them down as the situation improves than it is to scramble for resources at a later stage. The potential consequences will govern the first decisions and both these factors are revised continuously as the case progresses.

The crisis team

Once the decision to mobilise is taken, one of four qualified crisis team leaders will take over the management of the case, calling in additional team members to the central contingency room as required. The team usually consists of five to six senior claims staff with expertise in people claims, pollution, cargo, property and liability. Mobilisation of the team usually takes less than 30 minutes, regardless of the time of day. Gard's global presence with 13 offices and more than 200 claims handlers means that in addition to the central crisis team, local expertise is always available across many time zones. An on-site presence will be considered and established as needs arise.

The crisis team, including the majority of our offices, runs through at least one major exercise a year.

The hardware

The central contingency room is equipped with multiple monitors, telephone extensions and video-capability. A specially designed electronic crisis log is utilised to record and manage the influx of information that arises in connection with a major casualty and is accessible remotely. Gard offices are able to communicate quickly and effectively with each other whilst still maintaining clear lines of responsibility and in cases where Gard has the P&I and H&M cover for the vessel in question, a seamless handling of all facets of the crisis is achieved with the minimum of fuss.

A separate media room is available for dealing with any press enquires and monitoring the world media and Gard is able to host press conferences if necessary.

The central contingency room is tested monthly for functionality.

Decision making

One of the key benefits of engaging Gard's crisis team is our ability to make qualified decisions at an early stage that can have a real impact on the outcome of the case, both in terms of minimising total financial exposure and in getting the Member or client back on track with the minimum of disruption to his operations. Here we rely on our extensive collective experience in addition to input from our local offices and correspondents. Our actions are always guided by the *people - environment - property* hierarchy and specialists with a multitude of backgrounds within shipping, ship management, law, engineering, science and the military are available to advise the crisis team and the shipowner as required.

Interaction with local and national authorities

In the majority of cases, public bodies such as the SOSREP (government representative with authority to handle marine casualties in UK waters) in the UK, or the various Joint Rescue Command Centres around the world, will be heavily involved in dealing with the crisis on-site and mobilising resources to where they are needed most. Gard will always seek to liaise with these public bodies at an early stage in order to coordinate the response and ensure that our activities dovetail effectively.

Example

The HOEGH OSAKA case in 2015 involved more than ten claims handlers from Gard P&I and Gard Marine across four offices, including our presence at the site of the casualty and at the owner's offices in addition to liaising with and coordinating contact between more than 30 external parties. Of the response, the shipowner has said:

"Hoegh Autoliners had placed liability risks with Gard P&I, and marine risks with Gard Marine & Energy as Claims Leader. This gave owners the advantage of using one point of contact within the organization, with knowledge that the full resources of the Gard Group were behind us in providing support for the crew and assessing all potential maritime risks. We are of the opinion that Gard's immediate response to the event was exemplary. They followed up their initial casualty response with professional assistance to owners during the whole incident, and provided for efficient cooperation with salvors, statutory and local authorities, cargo interests and the repair yard."

Afterthought

Empirical studies suggest that effective *management* of a crisis is just as important as insurance being in place when determining the long-term effects of the crisis on a company. Paradoxically, a well-managed crisis can actually generate shareholder value in time *regardless* of significant losses or liabilities.

Additional information on Crisis Management can be found in our publication type: asset-hyperlink id: 8fdef492f5914fd2bf345d787e099051

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