



THE JAPAN SHIP OWNERS' MUTUAL PROTECTION & INDEMNITY ASSOCIATION

SPECIAL CIRCULAR

To the Members
Dear Sirs,

No. 15-006
12 June 2015

P&I Condition Surveys for Loss Prevention

We carry out Condition Surveys on both new-entry and already-entered vessels of a certain age. We aim to prevent various types of incidents by checking risk factors, regardless of the impact they may have, that could eventually lead to P&I claims. We would like to explain here the implementation Status of Condition Surveys during the 2014 Policy year.

During the survey, surveyors check items listed in the Condition Survey report forms(*), which have been developed jointly with the International Group of P&I Clubs. Report forms consist of parts A, B, C and D; the contents of parts A, B and D are the same for all types of vessels and part C is specific to the type of vessel undergoing the survey.

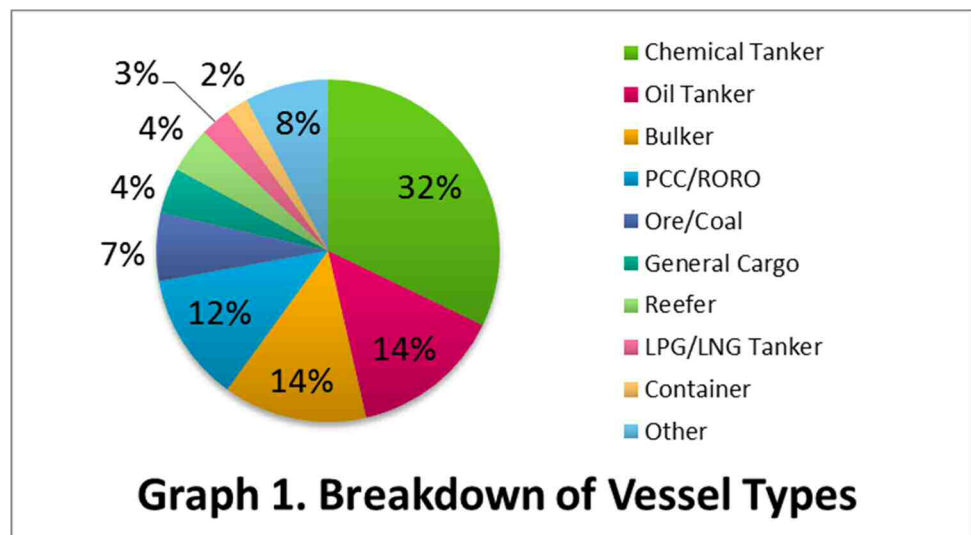
(*) Condition Survey Report Form Version 8.0 is available for download on our website below.

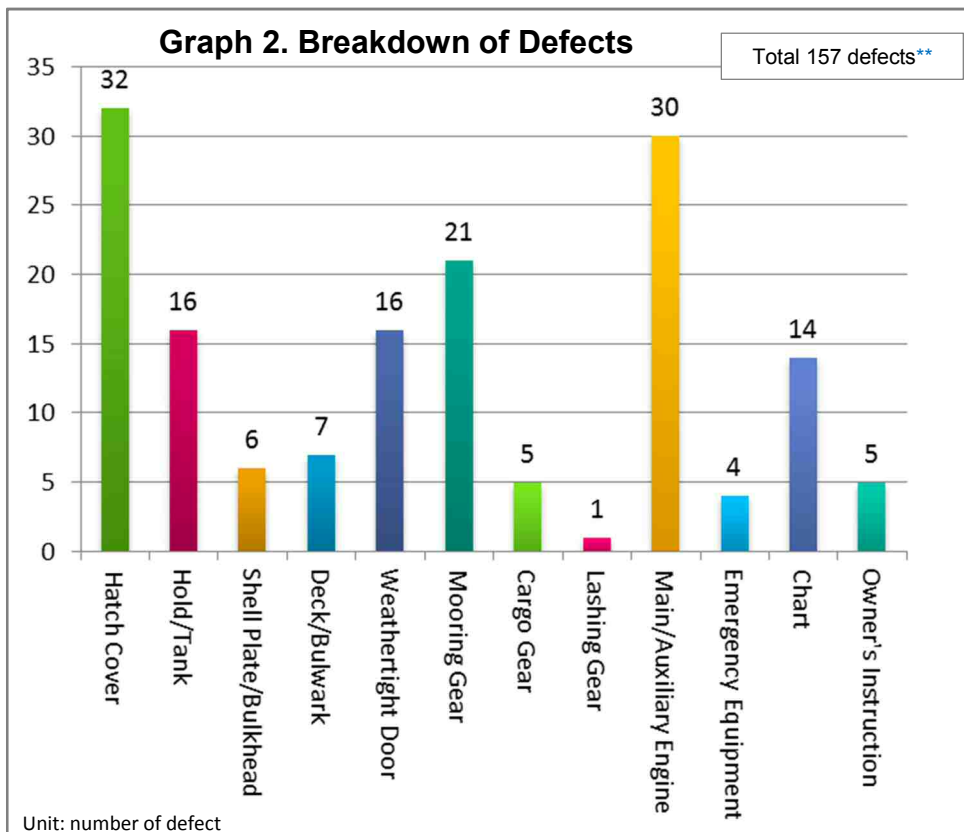
https://www.piclub.or.jp/eng_lossprevention/conditionsurvey/

Implementation Status of Condition Surveys during the 2014 Policy year

During the 2014 Policy year (20 February 2014 to 20 February 2015), we targeted 100 vessels to undergo a condition survey and achieved a success rate of **83%** (83 vessels). As regards the 17 vessels we could not survey during the 2014 Policy year, we will continue checking their movements and carry out the surveys when they are available. Surveys are conducted not only in Japan but at ports and dockyards abroad, when they do not interfere with the vessel's schedule. In addition to this, we have carried out surveys on a further 57 vessels, which include those newly-entered, making a total of 140 vessels surveyed during the 2014 Policy year.

Please see Graph 1 for the types of vessels surveyed. Chemical Tankers are surveyed once they reach 5 years old, which explains why they outnumber other types of vessels.





(**) In addition, there are 79 minor defects regarding facilities and 34 regarding documents. The total number of defects was **270**.

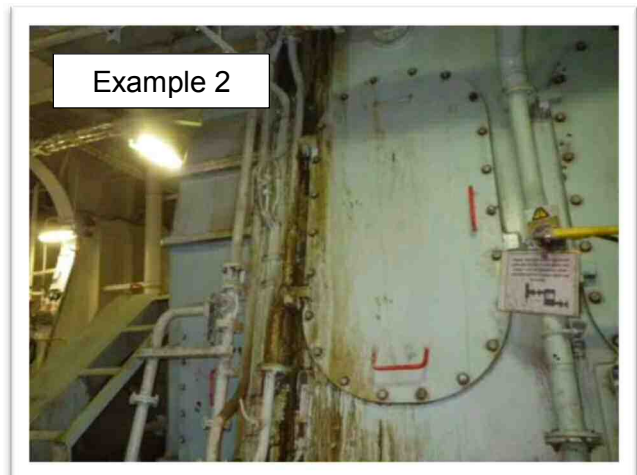
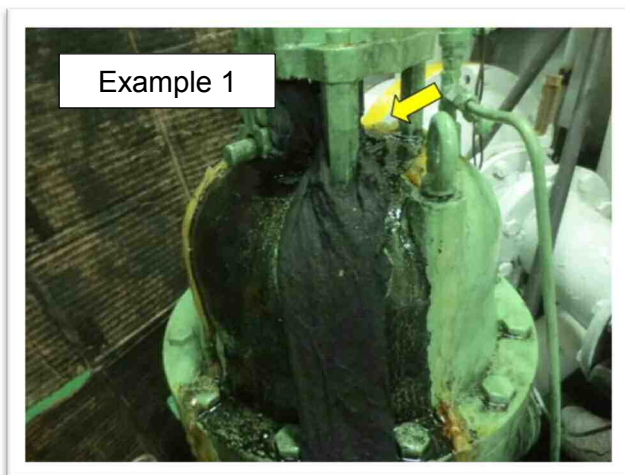
Out of 140 vessels, 37 vessels were found in good condition. Surveys on the remaining **103 vessels, or roughly 74% of all Condition Surveys**, resulted in recommendations from us for defects to be rectified.

Most of the vessels received more than one recommendation, and the total number of defects found during the 2014 policy year was 270. The area where defects were found most frequently was Hatch Covers, followed by Main/Auxiliary Engines and Mooring Gears.

Moreover, **Defects Warranties were attached to 12 vessels**, and we have notified the Members concerned of the resulting restriction in our coverage.

Defects with regard to Main/Auxiliary Engines

As can be seen in Graph 2 above, following the most frequent defects surrounding Hatch Covers, defects with regard to the Main/Auxiliary Engines were also frequently pointed out. Main/Auxiliary Engines accounted for 30 defects during the 2014 Policy year. An increasing number of defects has been noticed relating to leakage due to deterioration of gland-packings, as well as the lack of insulation of pipelines in heated areas, poor insulation of electric circuits, and the lack of cleaning and maintenance of machinery. Below are examples of defects pointed out by surveyors during the Condition Surveys:



Example 1: Oil was leaking from the Main Engine's auto-filter, and a cloth was attached to the filter to absorb the oil. This may be a temporary measure but not a permanent fix of the leak itself. As soon as a leak is found, a thorough investigation needs to be carried out in order to resolve the root cause of the problem.

Example 2: Oil grease is apparent on the Main Engine. In this case the cause was insufficient cleaning, however, it is not apparent if there is an oil leakage or not. It can be difficult to find an oil leak when machinery is not cleaned appropriately, a situation which can lead to serious accidents. It is crucial to keep machinery cleaned and take measures against oil leaks at all times.

Keep Engine Room Cleaned at All Times!

When machinery has not been kept clean, it can be difficult to tell if there has been an oil leak or just a build-up of oil grease on the machinery. This situation can lead to a delay in identifying the cause of a malfunction. Moreover, oil grease on gratings may lead to slip accidents being suffered by the crew, resulting in their physical injury. In addition, poor cleaning might allow the build-up of oily bilges on tank tops. Given how busy ships are, it might be difficult to pay careful attention to the cleaning of machinery at all times, but this is necessary in order to identify machinery failures and prevent accidents at an early stage.

Condition Surveys during the 2015 Policy year

As stated earlier, during the 2014 Policy year, we carried out Condition Surveys on 83% of targeted vessels. During the 2015 Policy year, we have (as of 20th April 2015) targeted 95 vessels and intend to achieve a success rate of 100% of this target.

Condition Surveys can be a tool to help assist vessel superintendents and management companies with the enormous amount of daily maintenance and check-ups. Our Members' kind understanding and cooperation would be highly appreciated.

Survey Criteria

(1) Pre-entry surveys: All vessels - 10 years old and over, however also;

Any chemical tankers etc.^{*1} - 5 years old and over

(*1) chemical tanker with coated tanks, methanol tanker, product tanker, sulphuric acid tanker, molasses tanker, clean tanker, ore/chemical carrier

(2) Entered vessels: All vessels - at 15 years old, however also;

(a) Any vessels suffering two or more similar accidents due to un-seaworthiness

(b) Any chemical tankers etc.^{*1} - at 5 years old

(c) Any reefer vessels^{*2} - at 10 years old

(d) Any tankers which have carried Heavy Fuel Oil (HFO) as cargo within the last 12 months

- 10 years old and over; unless;

the vessel has undergone our Condition Survey within the last 12 months; or

the vessel has undergone a special survey by a Classification Society within the last 6 months; or

the vessel has a current CAP 1 or CAP 2 rating issued by an IACS classification society.

(*2) reefer, cold-storage/oil carrier

(3) Re-inspection

(a) All vessels surveyed under (1) and (2): Every 5 years

(b) Vessels entered at 20 years old and over: Every 2 years

Note:- (1) One or two surveyors of the Association's designated organisation will conduct a Condition Survey in accordance with the Association's requirements, focusing on: certificates/documentation; maintenance; navigation plans; lifesaving appliances; fire control plans; seaworthiness; cargo-worthiness and; other aspects depending on the vessels' type and their special characteristics. A Condition Survey takes between half a day and 2 days at most without causing any delays to the vessel. Our requirements include a weather-tightness test for hatch covers, a pressure test for ballast tanks, and the internal inspection of cargo holds/tanks; it is impossible to accomplish them all without the presence of crew. Upon completion of the survey, the surveyor will brief the Master on recommendations, if any.

(2) In addition to our criteria stated above, we carry out surveys on vessels suffering claims which may have been caused by a lack of seaworthiness, in order to seek the causes of the claims.

(3) It is our intention to carry out a Condition Survey prior to a ship's entry with the Association. If this cannot be achieved, we carry out the Condition Survey within 30 days of the date of entry.

Yours faithfully,

The Condition Survey Committee