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CIRCULAR

To the Members

Report on P&I Condition Surveys 2018

This is a report on the condition surveys conducted in 2018 policy year (hereinafter referred to as "PY").

1. Objective

Our condition surveys are conducted by independent surveyors for both vessels presented for entry and alreadyentered vessels that have reached a certain age.

The objective is to encourage to maintain the standard of vessel's management and seaworthiness above a certain level in accordance with the guideline of the International P&I Group.

2. 180 vessels surveyed in 2018

In 2018PY, we conducted condition surveys on a total of 180 vessels including 89 post entry surveys and 91 pre-entry surveys.

63% of the 142 entered vessels were actually surveyed. The rest of 53 vessels were not surveyed due to the vessels' schedules and the convenience of the ports of call. The surveys for the 53 vessels are planned for 2019PY.

For 2019PY, we are planning to survey 145 vessels (as of 20 March 2019) including all 53 vessels which were not surveyed in the previous year. Although we have conducted the surveys mainly in Asia, they may be arranged elsewhere.



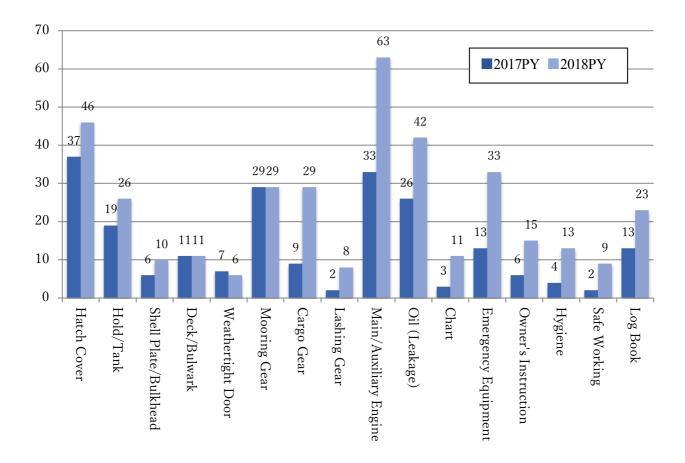


Ultrasonic testing of hatch cover weather-tightness

3. Defect Trend

The most common defects are related to (i) hatch covers (ii) engine room machinery and (iii) oil spill prevention. This trend has been unchanged since our previous circular <u>No.18-007</u>. The Graph below shows the number of defects found during the surveys in 2017PY and 2018PY.

Trend of defects in 2017PY and 2018PY



Thirteen vessels among those to which we made recommendations had serious deficiencies that could cause an accident. We issued defect warranties which warned of restriction of coverage to the thirteen vessels along with the recommendations. Some of the defects warranties issued are as follows.

General cargo, dry-bulk or wood-chip carrier vessels

- Failing the ultrasonic test for cargo hatch covers (See our circular No.16-011 dated on 13 July 2016)
- Poor condition of non-return valve of hatch coaming
- Significant amount of rust (over 70%) found in all cargo holds
- Hand rails, vertical ladder and platform heavily corroded or damaged in cargo holds
- Hatch cover cleats heavily corroded or stuck

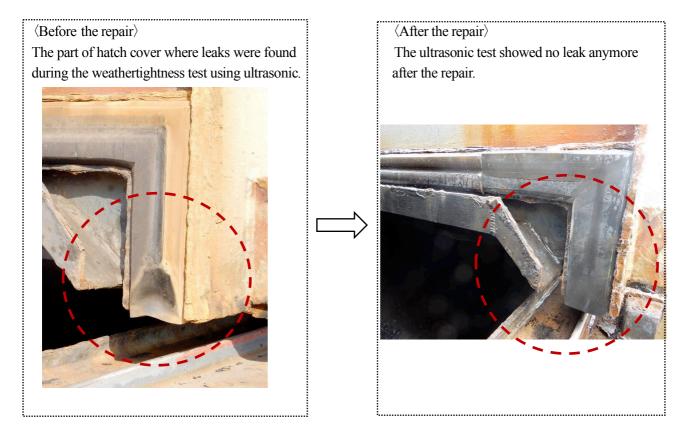
Container vessels

- Deformation of container cell guides. Heavy corrosion of cell guide support pillars
- Water ingress in cargo holds (up to 10cm deep)

Other vessels (common defects)

- Heavy wear and tear of break linings for windlasses and mooring winches
- Oil leakage from several machine units in engine rooms

The picture below left shows a hatch cover rubber gasket defect found during a condition survey in 2018PY, and the below right is after the repair.



The survey found cases where the ship's maintenance plan was not implemented effectively or only temporary repair had been done (only the silicone putty or marine tape was applied to the hatch cover, for example) and proper repair had not been done even when ship had the plan. It is important to repair properly and to find out why the proper repair has not been done as well as considering the measures to prevent such negligence from happening again.

4. Conclusion

Our Members' cooperation is indispensable for successful condition surveys. Members should consider the survey not only as a tool for preventing accidents but also as an opportunity to assess the vessel's condition objectively. We would appreciate our Members' kind understanding and cooperation.

Yours faithfully,

The Japan Ship Owners' Mutual Protection & Indemnity Association

Attachment: Survey Criteria

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
- 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.

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
- (c) In case of the change of the Fleet or Ship Management Company
- [*1] chemical tanker, methanol tanker, product tanker, sulphuric acid tanker, molasses tanker, clean tanker and ore/chemical carrier with coated tanks.
- [*2] reefer, cold-storage/oil carrier

Notes

- 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 necessary.
- 2. In addition to our criteria stated above, we carry out surveys on vessels involving claims which may have been caused by a lack of seaworthiness, in order to identify 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 will carry out a Condition Survey within 30 days of the date of entry.