



SEADOCC – THE RIGHT FORUM FOR LOW QUANTUM COLLISION CLAIMS?

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The Singapore Chamber of Maritime Arbitration (SCMA)

P&I claims handlers are under increasing pressure to control legal costs and to improve the time management of handling claims. It is therefore no surprise that speed and cost efficiency are at the forefront of a claims handler's mind when choosing the most appropriate forum for handling low quantum collision claims.

The Shipowners Club, as the leading P&I insurer in the smaller and specialist vessel sector with currently over 33,000 entered Vessels and over 8,000 members, has seen its fair share of these claims. It must be said that handling these claims can be, at times, frustrating – they fall under a class of collision actions where the quantum of claims are not particularly large or the assessment of liability is not complex. To litigate such claims in court may result in lengthy and time consuming litigation and higher costs, which may make it much harder for litigants to settle.

With these considerations in mind, the Singapore Chamber of Maritime Arbitration ("SCMA") has introduced SEADOCC (SCMA Expediated Arbitral Determination of Collision Claims). Key components of this new, streamlined process, include an absence of any requirement to appoint lawyers, or to put formal legal submissions – taking out a lengthy process that regularly incurs substantial costs. In the absence of these requirements, evidence can be put forward by the parties in the form of expert or surveyor's reports.

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Turning to concerns regarding time efficiency, the SEADOCC process provides for short timelines – the entire process, from commencement to award, is ordinarily completed within 3 months – a far cry from the extremely lengthy processes many of those familiar with the arbitral and court systems regularly endure.

As for the issue of certainty, at the conclusion of the SEADOCC proceedings, a final and unappealable award is handed down by the appointed expert. This is vital for the smaller claims, and ensures that matters do not drag on exponentially, which of course would increase time and costs for all involved.

The Shipowners' Club is a supporter of the SEADOCC process, having recently handled a claim that was taken through SEADOCC from start to finish. This took about 2 to 3 months. The fees rendered by the arbitrator amounted to around USD4,000, while the quantum in dispute was around USD70,000 – showing that using this process ensures that the costs incurred in the SEADOCC process are proportionate to the sum at stake. Most importantly, our Members felt that the award handed down was clear and fair – they accepted the outcome without reservation, and the matter was brought to a close far more swiftly than it would have otherwise been.

Our experience of using SEADOCC has been positive – we do encourage those facing similar small collision claims to look to SEADOCC as a forum for handling such matters.



About the Shipowners' Club

Website: www.shipownersclub.com

The Shipowners' Club is a mutual insurance association. It offers Protection & Indemnity (P&I), Legal Costs Cover and associated insurances to smaller and specialist vessel owners, operators and charterers around the world. The Club is also a member of the International Group of P&I Clubs which represents over 90% of the world's ocean-going tonnage.

As a mutual association, the Club is owned and governed by its Members. Members share risk and operate on a non profit-making basis. The board of directors is drawn from the membership. Underwriting, claims and loss prevention services are provided by the Managers of the Club.



About the Singapore Chamber of Maritime Arbitration

Website: <https://www.scma.org.sg>

The Singapore Chamber of Maritime Arbitration is a specialist arbitration institution which provides a neutral, cost-effective and flexible framework for maritime and international trade arbitrations that is responsive to the needs of industry users. Its global and regional members hail from all sectors of maritime, trade and arbitration communities. SCMA attracts disputants in the region by providing tailored solutions to suit the region's interests.

The Secretariat helms the promotion and development of SCMA across the region. The Secretariat also leads educational and training symposiums to foster thought leadership and encourage pragmatic solutions for maritime and trade businesses. The Registrar and Assistant Registrar provide administrative support to disputants and tribunals, when requested.