

Brokers express disappointment at IG review delay

Monday 19 December 2011, 15:23

P&I BROKERS are disappointed by the delay in the European Commission's review of the International Group of P&I Clubs and the commission has been criticised for not taking its investigation seriously enough.

The commission opened a formal probe into the IG in August 2010 with a specific focus on the release calls system, the IG agreement and the pool reinsurance programme. Three of the six original members, including acting head Silke Obst, have recently left the team and brokers agree this is going to delay the review, which has been silent since May this year, even further.

RFIB director Nigel Russell said his view was one of disappointment that the commission went ahead and asked for all the information last year, which put a massive burden on clubs at a difficult time.

"The commission had a very demanding attitude to clubs, but now they have to accept that any answer will be delayed. The clubs will continue as normal, but this is not the correct way to deal with a matter the commission deems serious," he argued.

Mr Russell said many clubs had looked at the release calls more closely to ensure they could justify any decisions they have made in a more coherent way, as they have not had to do this before.

"This is an ongoing process, however, and the clubs will have to wait for the commission to get up to speed. By this stage, everyone expected them to be advanced in terms of what their views were and well into writing a report detailing any recommendations they had," he said.

Tysers marine division director Martin Hubbard said while no-one was necessarily expecting any decision to come into effect before 2013, this was certainly not going to speed things up and the commission had been moving slowly.

"The review may be taking longer than the previous two because they were prompted by third parties, so the commission may have felt a duty to respond. This time it has been taken on its own initiative, so it has to get it right and there may not be so much external pressure on time," he added.

PL Ferrari's UK managing director Stephen Hawke said obviously a change in personnel at the commission would mean some element of delay and he thought all interested parties would like a conclusion sooner rather than later.

"However, we understand that rotation of personnel is not uncommon at the commission and thus it might have been anticipated that this would happen, given the extent of the investigation," he said.

"We do not anticipate any particular impact in the interim and, in any case, the clubs' members and their brokers are now deep into the 2012 renewal process and the renewal will not be impacted to any meaningful extent."