



SurveyAssociation
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DEAR READER

Welcome to the first newsletter from Survey Association. At Survey Association, we're passionate about safety at sea. So passionate, in fact, that we just can't keep quiet about it. With this newsletter, we want to share our passion and share with you what's happening – both internally and externally.

The newsletter is our bid to increase the transparency and knowledge about marine safety and risk management, and to let you know what's going on in our business that might interest you.

As carriers grow, so does risk. On page 2, you can read about the increased risk that comes along with the modern mega carriers.

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Did you know that we have now been registered as a pre-qualified supplier in Sellihca? Read more about what that means on page 3

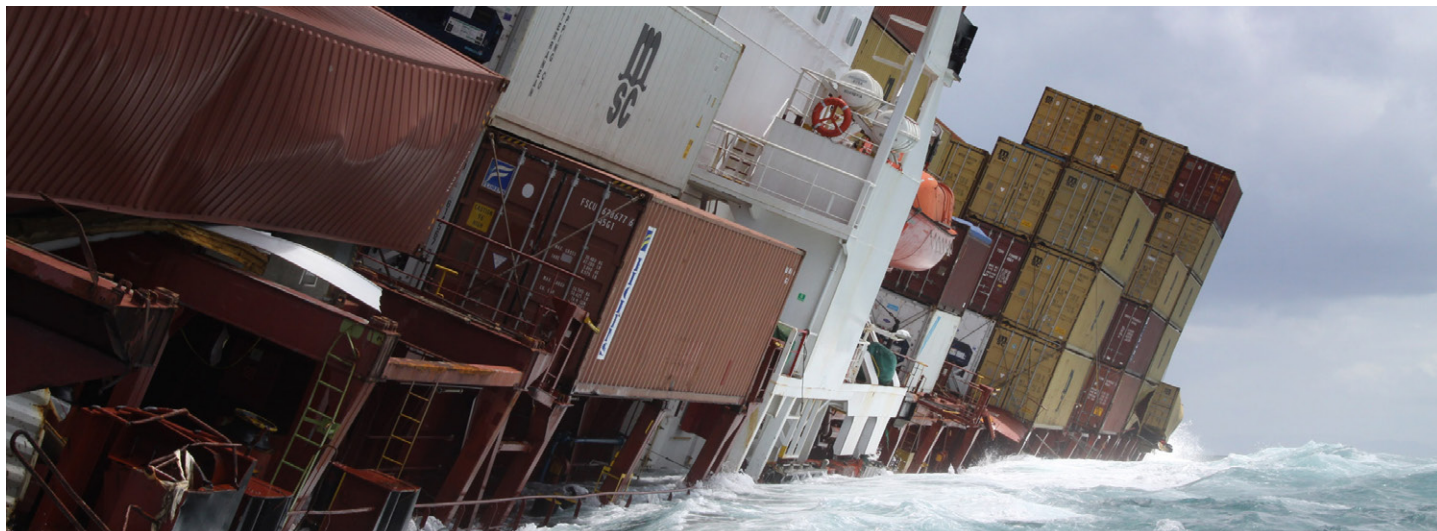
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The world of insurance becomes more and more data-driven. How can you apply that to your decision making? Read more about that at page 4.

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Plus on page 5 you'll get to know our man in Brazil, Jørgen Amorim, and learn the unusual story behind his last name.

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WHAT'S MOVING OUT THERE MEGA CARRIERS CREATE MEGA RISKS

Container ships have grown explosively in size, but the facilities for docking and salvage are still the same size as in the 1980s. This creates a risk that's serious but rarely discussed, according to the Survey Association's Kurt Rye Damkjær.

You probably know it well: The average container vessel has grown in size, and the average size is still increasing.

Today, newly built container ships carry 18,000 twenty-foot containers. If you placed them all in a line, that would be approximately 110 kilometers of containers. And 18,000 containers is more than ten times the capacity container ships had when the ships became widespread in the 1970s.

Meanwhile, the proportion of very large carriers in the fleets is increasing. According to 'Container Shipping & Trade', the share of 8,000 teu-plus ships has increased from 0.25 per cent of the containership fleet at the beginning of 2004 to more than 28 per cent in 2013. Coming next will be ships with room for 24,000 twenty-foot containers.

WHAT WILL BE THE CONSEQUENCES WHEN AN ACCIDENT HAPPENS?

"The problem lies in the fact that while the harbour infrastructure has kept up with the growth of the vessels, rescue and recovery facilities have not. Basically, rescue and recovery facilities haven't developed since the 80s," says Kurt Rye Damkjær, Technical Director, Survey Association.

"This means that if one of these extreme-size container ships runs aground, it will be very difficult to get the cargo off the ship."

Recovering the cargo of a mega carrier is both an enormous and daunting task. A small number of companies are making cranes for this – but there is certainly not one in every harbour, and these ships sail all over the world. The cranes needed for salvage could be very far away. Before the operation even gets started, the containers and their contents could be lying at the bottom of the ocean or floating around in the sea," Rye Damkjær says.

This could mean disaster: Environmental damage, lost or destroyed cargo, and enormous rescue and claims costs to be paid for by the insurance companies.

"The financial and environmental risks are huge. And the insurance companies will be the ones paying," Rye Damkjær says.

One thing is recovering the cargo, limiting material loss and environmental disasters. Another is repairing the huge ships.

"There are very few docks in the world who can take in one of these enormous ships. The same goes for repairing the damage to the hull. How long time would a mega carrier need to wait before it could be repaired? And how enormous would the insurance costs be for the time while the ship is not in service?" Rye Damkjær asks.

ECONOMY OF SCALE DEMANDS DISCUSSION OF RESCUE OF SCALE

Discussions about economies of scale lack a holistic perspective, according to Kurt Rye Damkjær:

"Economy of scale is discussed all the time: How much money can be made by building ships bigger? But nobody is discussing what the implications will be when things go wrong. The truth is that mega carriers create mega risks".



WHAT'S MOVING INSIDE: SAC IS PLACING ITS BETS ON THE SUPPLY SIDE

Even though it is time-consuming work, the Survey Association is now placing its bets on major international tenders within the offshore and renewable energy industries.

When a company like SAC has growth goals, tender rounds are the way to go. That's why Survey Association has been registered since 2013 on the tender portal Sellihca and since 2014 on the EU's tender portal.

"It used to be that our business was mostly about networking and good connections. But these days you can't avoid tenders, and I use a lot of my time on tender rounds," says Søren Pedersen, Director and Head of Offshore & Renewable at Survey Association.

Sellihca is a Nordic tender portal aimed at the local utilities industry, with tenders relating to the offshore and renewable energy business.

With over 4200 qualified suppliers delivering a wide selection of product and services, Sellihca provides a transparent means of selecting suppliers. This facilitates and simplifies the tender process, offering new business opportunities for both buyers and suppliers. SAC is now close to signing two major contracts.

"I can't disclose the details just yet," says Søren Pedersen.

A HELPING HAND FOR THE OFFSHORE RENEWABLE PROJECTS

Our clients are both the utility companies, providers and developers – we all have the same agenda – to ensure that projects are delivered on time, on budget and with no incidents or accidents.

A NEW WAY TO WORK TOGETHER

Since it is often large projects SAC tenders for, a different work approach is required for SAC employees.

"We have always been used to working with one-man projects, and now we need to create project groups that work together across the organization. It's exciting!" says Pedersen.

MARKETING OPTIONS

The significant work involved in the tenders has had an unexpected, but positive side effect: Improved marketing.

"We have received a number of smaller jobs that are actually below the tender limit, but for which we were in consideration solely because the customers had heard of us through the tenders," says Pedersen.

GROWTH AMBITIONS

"We wish to continue our diversification of our business, leveraging our decade long experience, and we have now three strong Lines of Business, namely: Marine, Oil&Gas and Renewables" explains Henrik Uth, CEO of Survey Association.

The company has already seen a good share of Offshore wind park projects over the years and are now having a team of experts within the various disciplines –from cable laying to foundations.



ATHENA: A RISK MANAGEMENT SUPPORT TOOL

Monitor your fleet performance with a marine risk and quality selection tool second to none.

Evidence supports a clear connection between quality ship management and insurance claims. ATHENA let's you quickly compile an in-depth overview of a given fleet and its risks.

ATHENA is a unique assessment and decision-making tool, it's built on a comprehensive set of technical ship data and key parameters known to correlate with claims. It uses a sophisticated algorithm to evaluate the important factors, and provides you with a visual presentation of risk indicators for a particular ship, fleet or ship manager.

The key risk factors evaluated include:

- Ship performance
- Ship manager performance
- Class performance

The vessel data is sourced from multiple sources collecting data from more than 10,000 owners and 40,000 vessels, and includes among others Port State Control inspections and defects records, IACS status, and Thetis records.

ATHENA is a unique tool to assess risk in a fleet or a given vessel which can be used to improve the risk management of your business.

ATHENA gives you:

- A comprehensive evaluation based on technical data
- Overview by structured visual representations of risk
- Quality Scoring using color coding and rating
- Ship and Fleet Benchmarking
- Performance monitoring

WHY IS ATHENA UNIQUE?

Athena is built on a model verified against insurance claims data, and based on key parameters that correlate with that data. This means that ATHENA correlates with probability and cost or in other words, risk.

FOCUS YOUR EFFORTS ON VESSELS THAT DEVIATE FROM THE NORM

By using ATHENA you will be able to see if and where some ships significantly deviate from the chosen peer fleet. You will get a clear picture of what vessels deserve your attention – and where to focus your attention on those particular ships.

AVOID HIGH-RISK PERFORMERS

ATHENA enables you to identify high-risk performers, hereby facilitating proactive implementation of measures avoiding or mitigating the risk level.

ENABLES YOU TO MONITOR RISK ON AN ONGOING BASIS

Risk is dynamic and changes over time. With data frequently updated ATHENA is a unique tool for monitoring your risk as it evolves. If your risk level changes, you can be alerted automatically.



ROUND THE GLOBE: THE COSMOPOLITAN WITH THE CHEMICAL FOCUS



What do Sweden, the Philippines, Denmark and Brazil have in common? Jørgen Amorim has lived in each of those places. The Danish-born frequent traveler, who has been sailing from the age of 15 and is now a marine surveyor and an associate surveyor for SAC, now plans on settling in Brazil for good.

Jørgen spends much of his time inspecting ships all over South America, with chemical transportation and gas ships as his specialty. "I am a certified CDI-inspector, and there are only ten of us all over South America, so I travel between 90-120 days a year," he says.

His openness to different countries and cultures comes in handy when conducting the surveys.

"It is extremely important that you can cooperate with people from different cultures and treat everybody with respect no matter his nationality, background, language or status on board. If I didn't do that, I would never be able to get the information I need."

His 12 years on land as fleet manager and technical manager also helps him do a good job. "The job takes some experience, and I understand how things work," he says.

Even though he is 67 years old, he doesn't plan to retire before he is at least 73.

"The variety in what I do is wonderful. You never know who will call tomorrow. Also, I like returning to a ship or a fleet and see how the owners have listened and improved things, so I can see that people take what I say seriously. It's a good feeling when I can see that what I do has an impact, that it matters!" he says.

Jørgen Amorim lives in the town of Salto in the state of São Paulo with his wife. He has become so fond of South America that he plans to apply for Brazilian citizenship and has taken his wife's surname, Amorim, since it is much easier to spell in Portuguese than his former Danish surname.

"Brazil is my home now!" he says.