

**“Marine Insurance Claims in the Coming Millennium”
The Consulting Surveyor’s Point of View**

**Pierce N. Power, Martin, Ottaway, van Hemmen & Dolan, Inc.
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When I was asked to speak at this seminar, I was afraid that I would be assigned a subject outside of my admittedly somewhat limited experience.

When I was told that the subject was going to be “Marine Insurance Claims in the Coming Millennium”, I was very much relieved, because this subject is outside of the experience of the other panel members, too.

Furthermore, it doesn’t appear that anybody will be able to check the accuracy of my views in the near future; and if I was wrong, nobody, least of all me, is going to care in the year 3000.

On the other hand, if it turns out I was right, I would like to be referred to as Pierce Postradamus Power from that point on.

Taking the above in account, I have decided to make some bold predictions:

- Water will still be around
- Transportation will still be around
- Mistakes will still be made
- These mistakes will result in damages, which are unexpected
- Since these damages are unpredictable, people will want to have insurance
- What once was called Marine, will include Space

The Association of Average Adjusters in some form will still be around, although it will be a Galaxy-wide organization, which by the year 2010 had merged with all the other Average Adjusting Associations on Earth.

The concept of general average will again become very important at some time in the next millennium when commercial space travel starts to develop. Transportation at near light speeds makes communications difficult, which puts a greater burden on the Master of the space craft in making his decisions with regard to the best course of action in case of a disaster such as jettisoning and salvage.

Of course, spaceport and docking pilots still are entirely without blame in collisions and allisions.

The only way to untangle the difficult claims that result from actions taken far from the reach of the Owners of vessels and cargoes and their underwriters will be through the services of Average Adjusters and surveyors.

However, I am sorry to predict that towards the end of the next millennium the general average concept suddenly dies.

Instantaneous transportation similar to the Star Trek transporter is developed just before the end of the millennium and since a scrambled transport leaves nothing of any value at the far end, all transporter beam claims automatically become a total loss without need for adjustment.

Luckily, there still will be some lower technology transportation taking place, and average adjusters will tide the bad times at the end of the third millennium until new frontiers in claims adjusting open up.

Bad times actually will be the subject of the seminar of the October 2997 meeting of the Association of Average Adjusters of the Galaxy in Anchorage, Alaska.

As a matter of fact, Rear Admiral Montgomery Scott, ret., known to all as Scotty*, and now a consultant with Martin, Ottaway, van Hemmen, Dolan & Power, is a member of the panel.

Anchorage at that time will be the traditional center of galaxy-wide finance, commerce, litigation and transportation.

Anchorage's ascendance in that regard is an interesting story, which starts with this city's twin strengths of having more attorneys per capita than any city in the United States and a reputation for awarding large damage claims after the Exxon Valdez litigation.

The effects of global heating put New York, London and Hong Kong underwater and made Anchorage one of the few places with a bearable climate on earth.

By the way, global heating was good, because it solved the New York harbor dredging problem.

I can go on forever with predictions, but I have had my fun now, and maybe some of you in the audience enjoyed it, too.

Some of you by now will think I have gone completely of my rocker, but if I compare some of the above with the last millennium of marine insurance claims, I believe I might be somewhat conservative.

The last millennium has seen claims such as:

- Hull and Machinery claims as a result of earthquakes
- Ships sunk on the high seas by falling cows
- General average claims where the sacrifice consisted of throwing sick slaves over the side to save food for the remaining healthy slaves
- Insurance claims, which as the measure of damage, uses the perceived value of unspoiled nature in Alaska to people who live in Florida

All these are true claims.

Just to highlight one of these examples, the cows were really falling from the sky.

Apparently poorly paid Russian Army soldiers have taken up cattle rustling using their transport planes, and during one of the flights over water the cows onboard started stampeding and were thrown down the stern ramp to save the plane. One of the falling cows hit a ship and knocked a hole through the deck and bottom resulting in an H&M claim.

Interestingly, if the Russian Army would have had airplane insurance, and the cows would have been separately insured as cargo, there also could have been an airborne general average.

Let's get back to the future, but let's stay within the next few decades.

With the rapid increase in the number of high speed craft in the near future there undoubtedly will be claims related to collisions between high speed passenger vessels, which will open a whole new chapter in marine claims processing.

And while the odds are small today, tomorrow or the day after tomorrow, there is going to be a piece of space debris on reentry, which is going to hit a ship.

All these situations require investigations into cause, extent of damage and policy interpretation.

Because of this, the present interaction between Owners, underwriters, claims examiners, surveyors and average adjusters will survive in one form or another because they are participants in a process which has been proven to work on all manners of difficult insurance issues over the last millennium.

So why do so many of us feel that the good old days are gone?

I believe people feel that way because they are actually gone; collisions and low deductibles are out, space debris and falling cows are in.

On the other hand, the good new days are coming. As a matter of fact, an alternate definition of millennium is a "period of great happiness or human perfection".

They will be really good days for those Owners, who pick the right policy terms for their policies, for those underwriters who set the proper premiums and for those average adjusters who are capable of dealing with ever-changing policies and policy interpretations.

As for us surveyors, those who are specialists in boiler explosions or tea clippers will have to retire or retrain.

But a surveyor who is willing to stay on the cutting edge of the perils scene through hard work and persistence is going to be listened to and will easily make it through the next millennium.



We plan to be there through hard work and persistence and to those of you who are joining us in the hard work and persistence, we'll see you in Anchorage in 2997.

Pierce N. Power

*Special thanks to Rich Ottaway, Harry Ottaway's son, who was the only person who knew Star Trek's Scotty's first name.