



ASSOCIATION OF
Average Adjusters

General Average has never been more relevant, assert speakers at Association of Average Adjusters 2024 London Dinner

The long-standing concept of General Average, which seeks to share equitably costs arising from maritime casualties, has never been more relevant, it was stressed at the 2024 annual dinner of the Association of Average Adjusters in London. Shipping was in the crosshairs of volatile global politics, the audience of leading marine insurance and legal practitioners was reminded, and there were calls for all in the sector to recognise the vital importance of independent average adjusters.

More than half of the Association's membership was present, from the UK, North America and Asia, for the black-tie event on May 9 at the Savoy Hotel, a total of 225 men and women. Earlier in the day, the election of Ann Waite to serve as Chair of the Association for 2024-25, and as an Honorary Fellow was announced. Ms Waite at the same time stepped down as Association secretary after 11 years. She is the first woman to assume the position of Chair in the century and a half-plus history of the Association. The announcement was made at the Association's conference, the 156th such gathering, which took place at the Lloyd's Old Library.

Nick Austin, a shipping partner at Reed Smith LLP, responding at the annual dinner to a toast to the Bench and legal profession, insisted that General Average remained essential to the efficient handling of marine accidents. He said that key principles of English contract law went back to a least the 15th century, while General Average as a concept could be traced back to Roman law. "It seems to me that General Average has never been more relevant," he declared. "The constantly shifting sands of geopolitics means that shipping is once again in the crosshairs, not just in the Red Sea but in a variety of places where piracy (after some years of reduced activity) and other risks to shipping have proliferated ... and accidents will happen," he said, a reference to the March 2024 collision of a containership with a bridge at the US port of Baltimore, where an act of General Average is set to follow.

"While the shipping industry has arguably never been safer, and more technologically advanced and effectively regulated, than it is today, seaworthiness and the condition of vessels, their hulls and equipment remain of paramount importance," Mr Austin continued. The continuing relevance of General Average in a world of dramatic and rapid change "is nothing short of miraculous."

He added: "Our established and reliable systems of maritime law and international liability regimes support and enforce these basic requirements of the maritime industry, applied and upheld, as I know it is, by the best lawyers and the best judges the world has to offer. And all of this is inextricably linked with General Average – long may that remain the case."

Mr Austin, who is an executive committee member of the British Maritime Law Association said the BMLA had strong connections with the Association of Average Adjusters in the advancement of law. Members of both associations worked tirelessly on legal matters on behalf of solicitors, judges, barristers, legal executives, paralegals and other legal practitioners.

The toast to the Bench and the legal profession had been proposed by Stelios Magkanaris, a Fellow of the Association of Average Adjusters. Mr Magkanaris, who is a director at Marine Adjusters & Consultants Inc, based in Piraeus, spoke of “this unique annual dinner of the Association of Average Adjusters which has been a landmark for so many decades.” He said that among those present were “a strong basis of the legal profession.”

He admitted that it was hard to define the profession of average adjuster. “We put numbers in columns, but we are no accountants. We use, talk about and debate with marine insurance legal issues but we are not lawyers. We allow, disallow, limit, exclude or include costs related to pistons, crankshafts, motors, boilers, shafts, frames and longitudinals but we may never have set foot onboard a real commercial ship.” He offered a characterisation: “Adjusters are the humble workers of marine casualties, they are the first line of defence in marine insurance claims, but this is only feasible due to the strong skeleton of marine insurance law, constructed and maintained by the Law Lords of the Bench.... and the strong muscles of the legal professionals.”

Peter Fei, a Fellow of the Association and senior manager (Hong Kong) for Charles Taylor Adjusting, proposed a toast to the guests and subscribers. He said that he too often struggled to explain his job in a concise manner. “But because of the Association’s subscribers and market friends, many of whom are here tonight, our profession has become better known in the industry globally.” It was “a unique profession with such a strong, rich heritage.”

Mr Fei said that the Association hosted its first Asian meeting in Singapore earlier in 2024, attended by 40 participants from nine countries. “This demonstrates that the Association is truly international.” The meeting was on January 18, which was also the date of the memorial service of the late Honorary Life Fellow John Wilson, who spent the last decade of his adjusting career in Asia, including Japan and Hong Kong. Mr Wilson “will be fondly remembered, by more than one generation, not only for the [specialist] publications he left to his followers, but also for the enthusiasm, inspiration, and commitment that has been conveyed through those works,” said Mr Fei.

The next Asian meeting, in January 2025 in Hong Kong, would be a first full gathering and “we look forward to welcoming as many subscribers and guests as possible.” Mr Fei hailed the steady increase in the past 10 years in the ratio of overseas subscribers from 43% to well over 60%. In the last three years alone, the overseas subscribers were at an impressive 70% level of the overall subscribers.”

Responding on behalf of guests and subscribers was Michael Steemers, president of the Association Mondiale de Dispatcheurs / International Association of Average Adjusters, who is a director of Albatross Adjusters, Limassol. He called on members of the shipping fraternity, particularly the insurance industry, to use independent adjusters more frequently.

He too broached the question of defining the term “average adjuster.” He asked rhetorically: “What makes you, and us, so special in this room? While adjusters like accounts, we don’t want to be accountants. We adjust technical issues in adjustments – but few, if any, have ever smelled the cylinder oil, or changed the bolts of a connecting rod in a boiler engine room. Similarly, how many have ever stood on the bridge, crossing the Bay of Biscay on a stormy night, with heavy list and in charge of ship, cargo and crew? We study and quote legal precedents; however, we are not called to the bar.

“We write, appreciate the power of words, but our adjusting language can hardly be seen as poetry. So it appears there are many things we are not. But we are special indeed. It’s perhaps the odd combination of all these virtues combined, while addressing technical and nautical issues, applying insurance conditions, the rules and practices and diplomacy, [in which} adjusters are unique. “We are experts. Pragmatic and solution orientated. After having been asked many questions, at long last you meet someone that finds answers that we all can live with.

“Even a profound question such as, ‘what is reasonable?’ Many will find it hard, dive into philosophy or religion (or AI) but an adjuster will face it head on and somehow (miraculously) always seem to be able to find an appropriate answer. What appears unanswerable will find a solution when in the hands of an adjuster.”

In addition to Ms Waite, Mr Steemers and Mr Austin, those at the top table included Nick Shaw, chief executive of the International Group of P&I Clubs; Kiran Khosla principal legal director of the International Chamber of Shipping; the Rt Hon Sir David Steel, former Admiralty Judge and Honorary Fellow of the Association of Average Adjusters; Burkhard Fischer, 2023-2024 chairman of the Association of Average Adjusters; Chris Kilbee, vice-chairman of the Association of Average Adjusters; Vibeke Kofoed of the Nordic Average Adjusters Association; Ángel Galván, president of the Spanish Association of Average Adjusters (AELA); Jeanne Carr, Chair of the Association of Average Adjusters USA and Canada; the Rt Hon Sir Stephen Tomlinson, former Lord Justice of Appeal and Honorary Fellow of the Association of Average Adjusters; Paul Fry, co-chair of the Joint Hull Committee; Neil Roberts, head of marine and aviation, Lloyd’s Market Association; Grady Hurley, president of the US Maritime Law Association; ; Richard Cornah, a past chairman of the Association of Average Adjusters and Honorary Fellow; James Herbert, secretary general of the International Salvage Union; Stefano Cavallo, president of Associazione Liquidatori di Avarie Marittime; and Bjørn Slaatten, an independent average adjuster appointed by the Norwegian Government.

Note to editors: The Association of Average Adjusters promotes professional principles in the adjustment of marine claims, uniformity of adjusting practice, and the maintenance of high standards of professional conduct. Irrespective of the identity of the instructing party, the average adjuster is bound to act in an impartial and independent manner. The Association plays an important part in London insurance market committees and has strong relationships with international associations and insurance markets.

Please see www.average-adjusters.com

