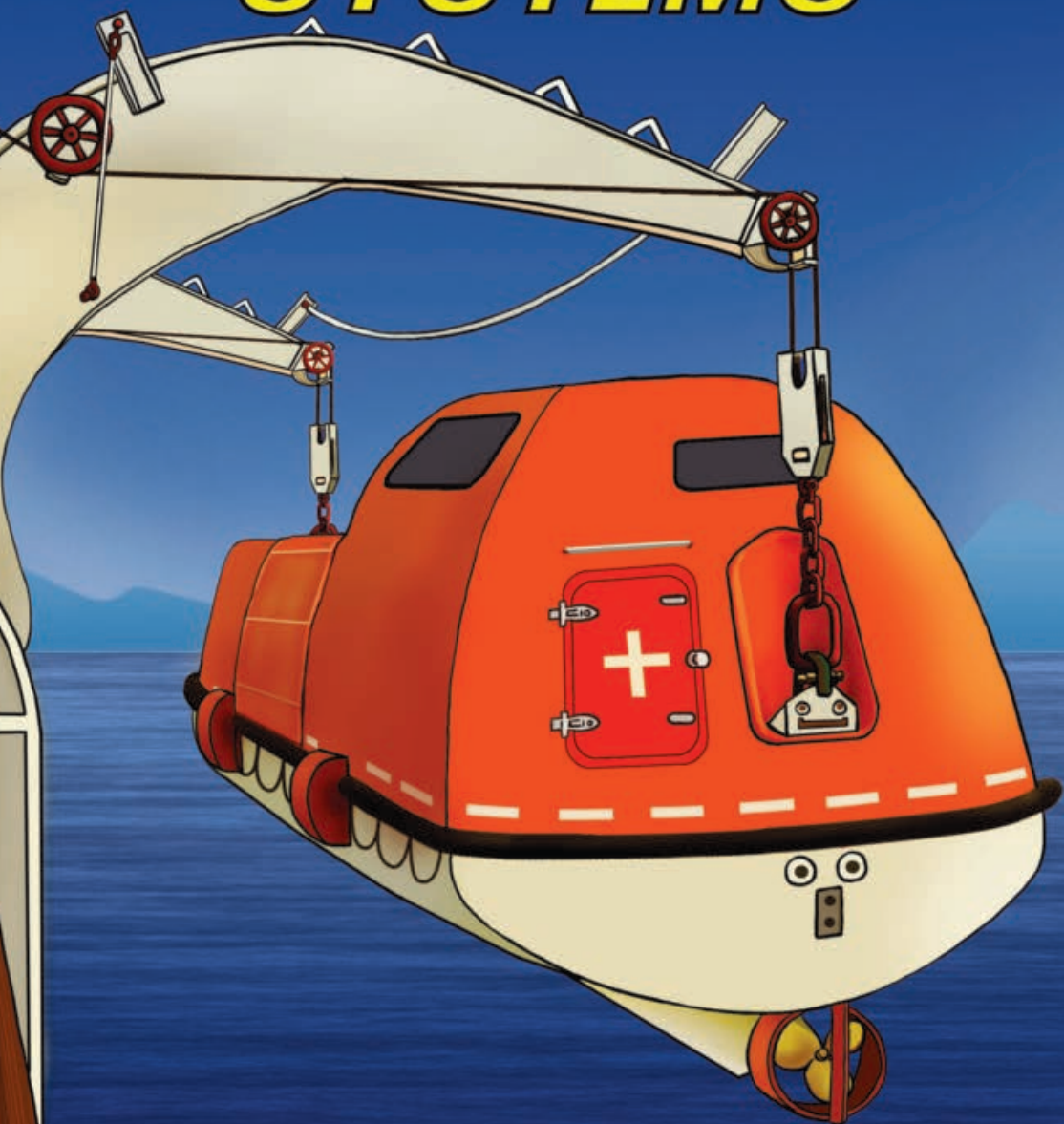


SAFETY MANAGEMENT SYSTEMS



FOREWORD AND ACKNOWLEDGEMENTS

A vitally important – and explicit – part of the mission of the American Club is to apply best industry practice to issues of loss prevention and risk control. After all, prevention is better than cure, and this is particularly so in regard to safety at sea.

This Safety Management Systems booklet is the fourth the Club has published over recent years. It aims to assist both seafarers and shoreside personnel in understanding and implementing the various – and increasing complex – systems which are required by local and international regulators for the management of safety and loss prevention both on board ships and at their operators' offices ashore.

It adopts a similar style for imparting critical information as that which was used in its predecessor publications. This easy-to-read format, making serious issues memorable by an undercurrent of humor, is intended to convey a message which everyone can understand and absorb. Compliance with modern safety management systems is, moreover, more than mere bureaucracy: it represents a key component in insuring safety and environmental protection for the benefit of all stakeholders in the maritime industry we all collectively serve.

As always, the Managers thank the Board of the American Club, and in particular its Safety and Environmental Protection Committee, for their enthusiastic support in promoting the many initiatives of recent years to which this booklet is the latest addition.

Dr. Bill Moore and Ms. Danielle Centeno deserve special thanks for their continually energetic loss prevention activity for the Club which forms, as mentioned above, an integral part of its continuing mission and purpose. Many thanks are also due to John Steventon whose artistic talent has once again created a striking visual impact in which depiction, as in action, can also be seen to speak louder than words!

Joseph E.M. Hughes
Chairman & CEO
Shipowners Claims Bureau, Inc.
Managers for the American Club



PREFACE

Since the early 1990s, the maritime industry has placed a greater emphasis in addressing the role of the human element in the prevention and mitigation of maritime casualties. Furthermore, a particular focus upon the need for a ‘safety culture’ from both senior management ashore as well as seafarers is imperative to ensure safety and environmental protection. This has given rise to the implementation of the International Safety Management (ISM) Code for ocean going vessels. The proven effectiveness has extended to U.S. inland waterway operators with the adoption of the U.S. Code of Federal Regulations (CFRs) Subchapter M, that offers them a non-compulsory option of adopting a safety management systems (SMS) for compliance.

Nothing takes the place of experience, practical knowledge and good seamanship when it comes to the safety of the seafarer, the ship and protection of the marine environment. Everyone in the organization has a duty and responsibility and are ultimately accountable. The SMS is comprised of safety management practices and company policies and defined responsibilities for the effective implementation of the company’s and ship’s safety and marine environmental protection program.

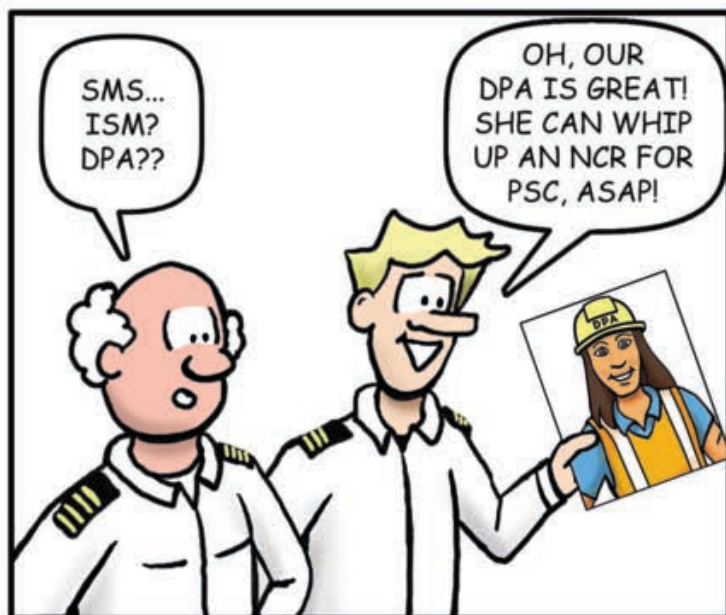
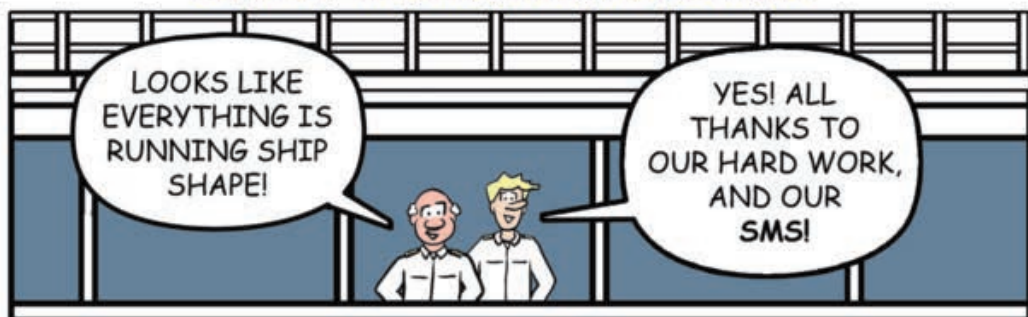
As a result, the Club has produced this fourth booklet, *Safety Management Systems*, with the objective to reinforce to seafarers the importance of understanding their duties for complying with safety management principles and procedures in their quest to ensure safety and environmental protection.

It is our sincere hope that this pamphlet will assist with safety management system training onboard and be utilized as a refresher tool for seafarers and shore staff anticipating an ISM Code or Subchapter M audit.

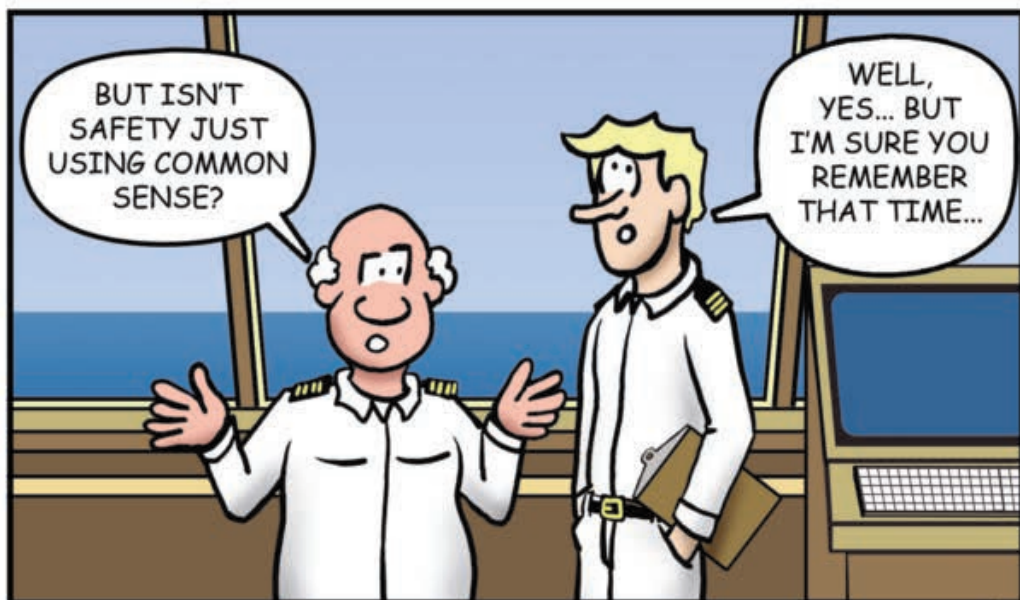
William H Moore, Dr. Eng.
Senior Vice President
Shipowners Claims Bureau, Inc., Managers
American Steamship Owners Mutual Protection & Indemnity Association, Inc.

Ms. Danielle Centeno
Assistant Vice President
Shipowners Claims Bureau, Inc., Managers
American Steamship Owners Mutual Protection & Indemnity Association, Inc.

SAFETY MANAGEMENT SYSTEMS



THE ISM CODE IS AN INTERNATIONAL STANDARD FOR THE SAFE MANAGEMENT AND OPERATION OF SHIPS AND FOR POLLUTION PREVENTION.



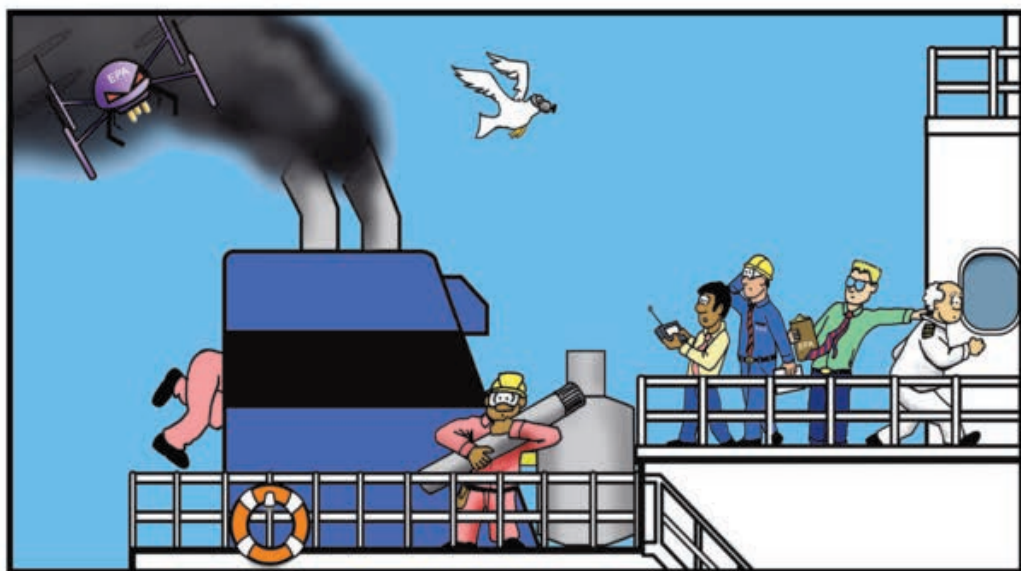
WE HAD THAT SMALL HOUSEKEEPING ISSUE...
AT A REALLY UNFORTUNATE TIME?



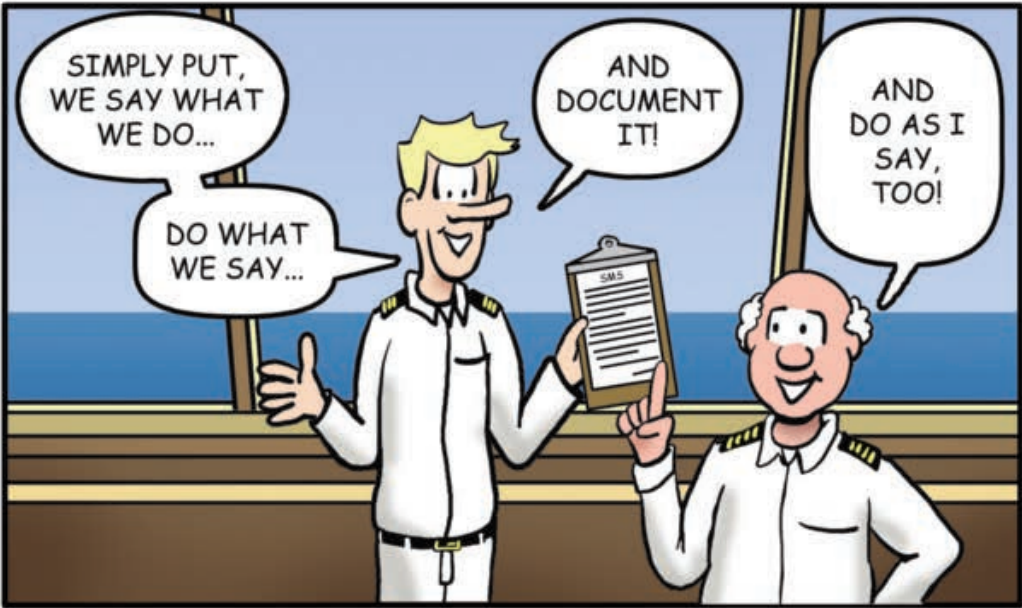
OR THOSE TIMES WHEN MISTAKES LED TO THE SHIP
BEING DAMAGED...



OR THAT POLLUTION PROBLEM WE HAD?

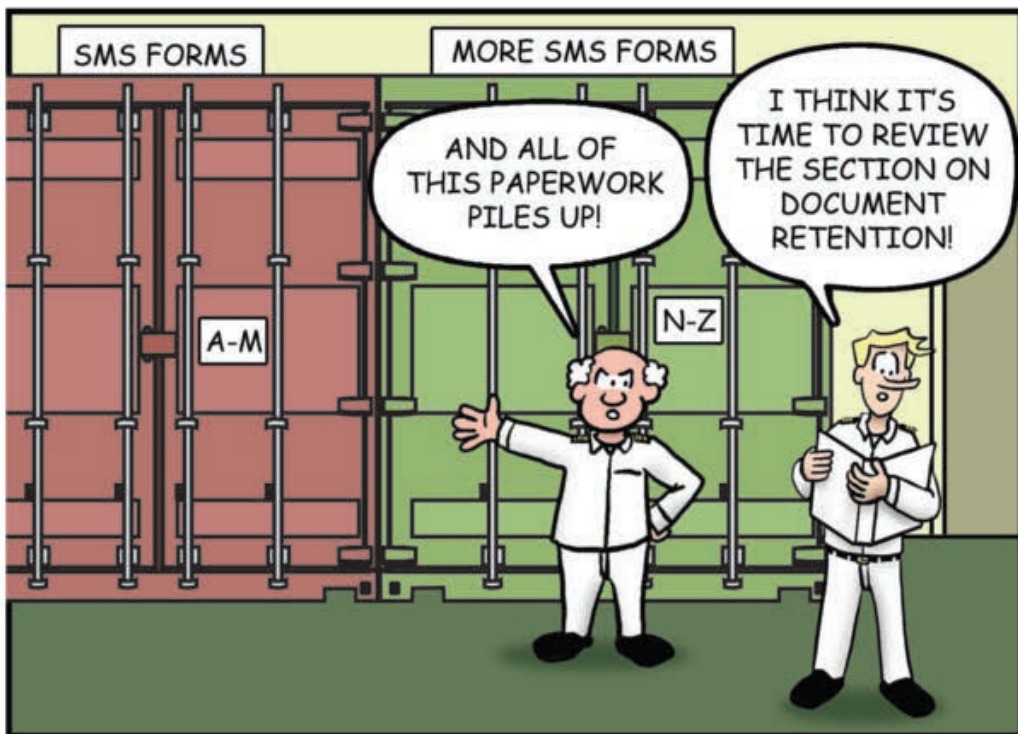


USING THE ISM CODE AS THE FRAMEWORK, A **SAFETY MANAGEMENT SYSTEM** IS DEVELOPED INCORPORATING COMPANY SAFETY POLICIES AND PROCEDURES.



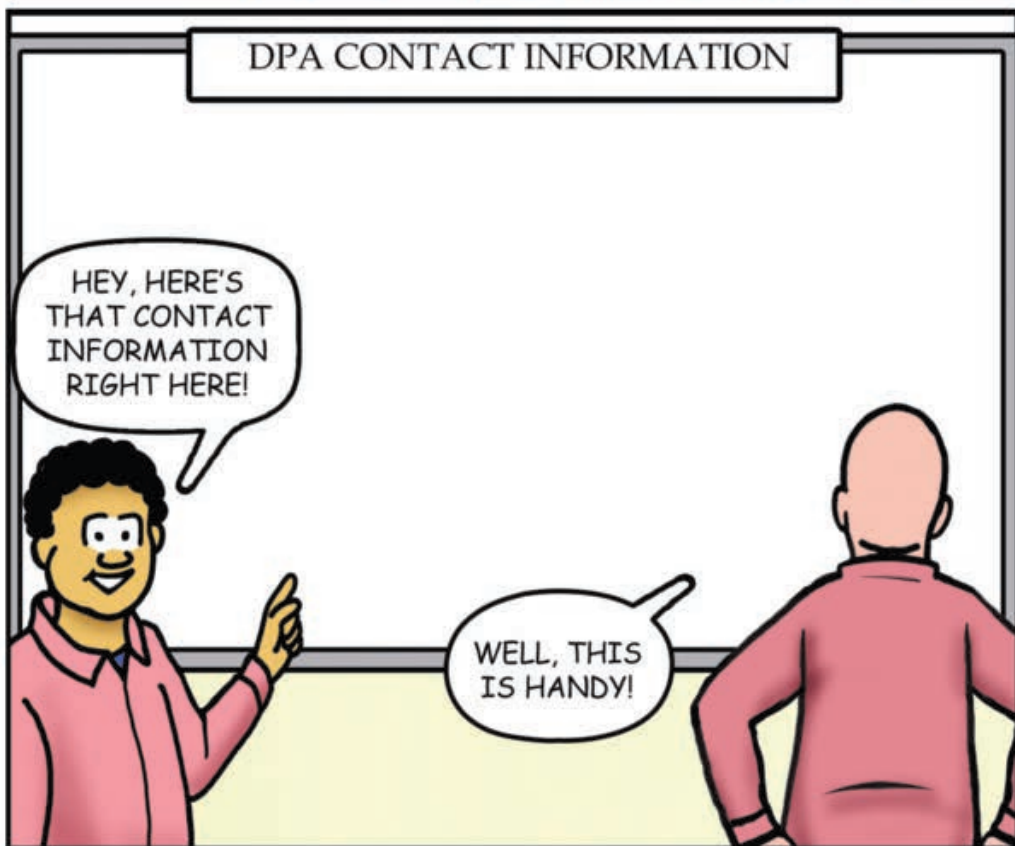
THE SMS MUST BE KEPT ONBOARD IN AN ACCESIBLE FORMAT.





THE SMS DOCUMENT CONTROL GUIDELINES INCLUDE POLICIES FOR RETAINING RECORDS, UPDATING PROCEDURES, AND REMOVING OBSOLETE DOCUMENTS.

EVERY COMPANY IS REQUIRED TO HAVE A DESIGNATED PERSON ASHORE (DPA) UNDER THE ISM CODE.

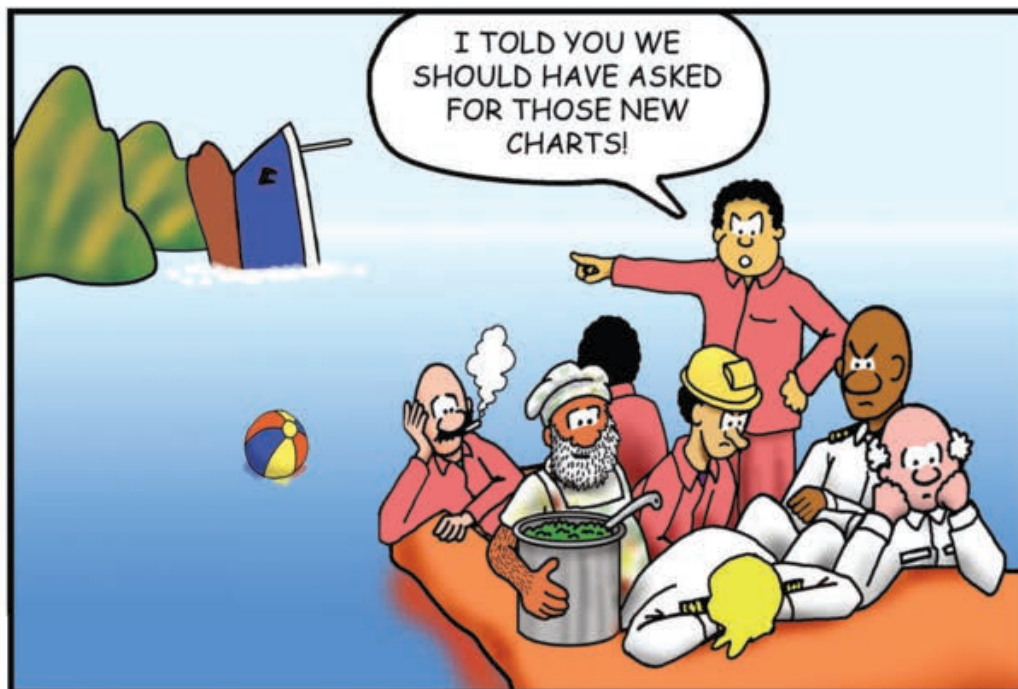


THE DPA ENSURES THE SAFE OPERATION OF EACH SHIP, AND PROVIDES A DIRECT LINK BETWEEN THE COMPANY AND THOSE ON BOARD.

THE DESIGNATED PERSON ASHORE IS THERE FOR YOUR SAFETY, BUT TRY NOT TO CONCERN THEM WITH TRIVIAL MATTERS.



THEN AGAIN, DON'T WAIT UNTIL IT'S TOO LATE TO LET THEM KNOW WHEN THERE'S A PROBLEM.



SAFETY MANAGEMENT INVOLVES LOOKING AT ALL MARINE INCIDENTS, NEAR MISSES, AND NON-CONFORMITIES, BOTH MINOR AND MAJOR, TO DETERMINE ROOT CAUSES.



CORRECTIVE AND PROACTIVE ACTIONS SHOULD BE TAKEN TO PREVENT A REOCCURENCE OF ANY MARINE INCIDENT.



A NEAR MISS IS A SEQUENCE OF EVENTS AND/OR CONDITIONS THAT COULD HAVE RESULTED IN HUMAN INJURY, OR ENVIRONMENTAL OR PHYSICAL DAMAGE.

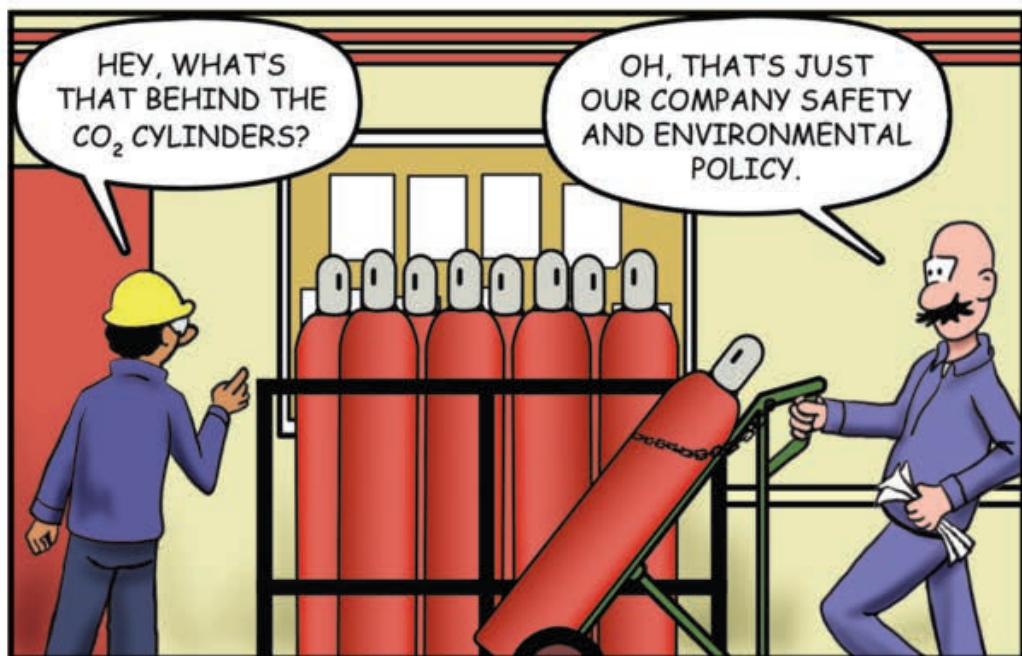


A NON-CONFORMITY IS A SITUATION OR ACT WHICH GOES AGAINST THE POLICIES OF THE SAFETY MANAGEMENT SYSTEM.

DOCUMENTING AND REPORTING NEAR MISSES AND NON-CONFORMITIES IS ENCOURAGED!



THE CREW SHOULD BE FAMILIAR WITH THE SHIP'S SAFETY AND ENVIRONMENTAL POLICY, AS WELL AS WHERE IT CAN BE SEEN AND REVIEWED.



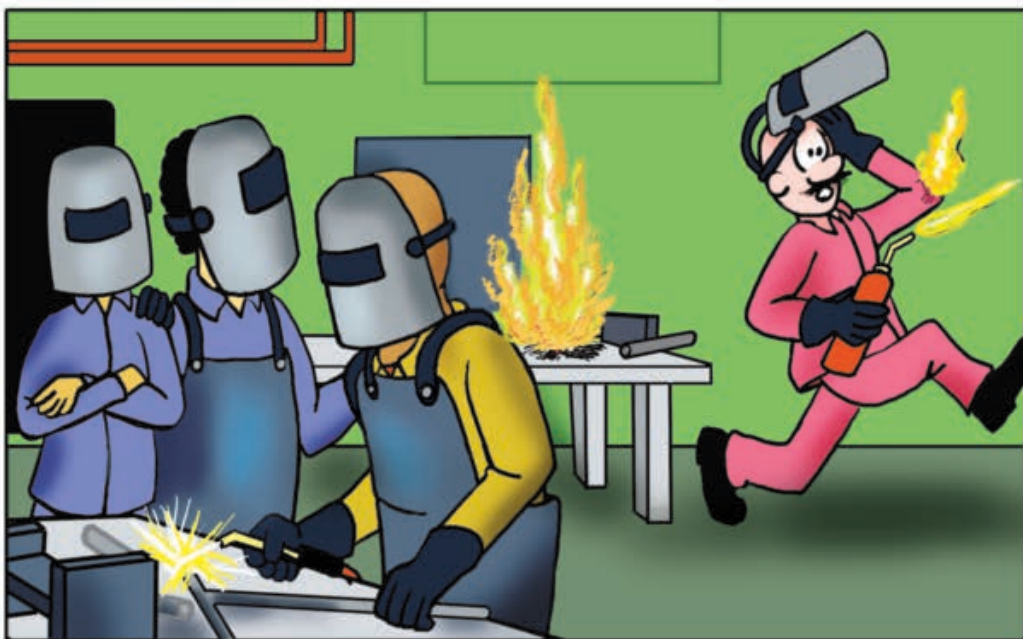
SAFETY MEETINGS ARE AN ESSENTIAL PART OF THE SHIP'S SAFETY CULTURE, AND SHOULD BE HELD REGULARLY.



PERMITS TO WORK ARE STANDARD SAFETY PROVISIONS FOR HIGH RISK TASKS SUCH AS WORKING ALOFT, ENCLOSED SPACE ENTRY, AND HOT WORK.



TOOL BOX TALKS SHOULD INVOLVE REVIEWING PROCEDURES, SUCH AS JOB RISK ASSESSMENT AND YOUR PERMITS TO WORK (PTW) CHECKLIST BEFORE STARTING A TASK.



BE SURE TO IDENTIFY ALL POTENTIAL HAZARDS WHEN POSSIBLE.

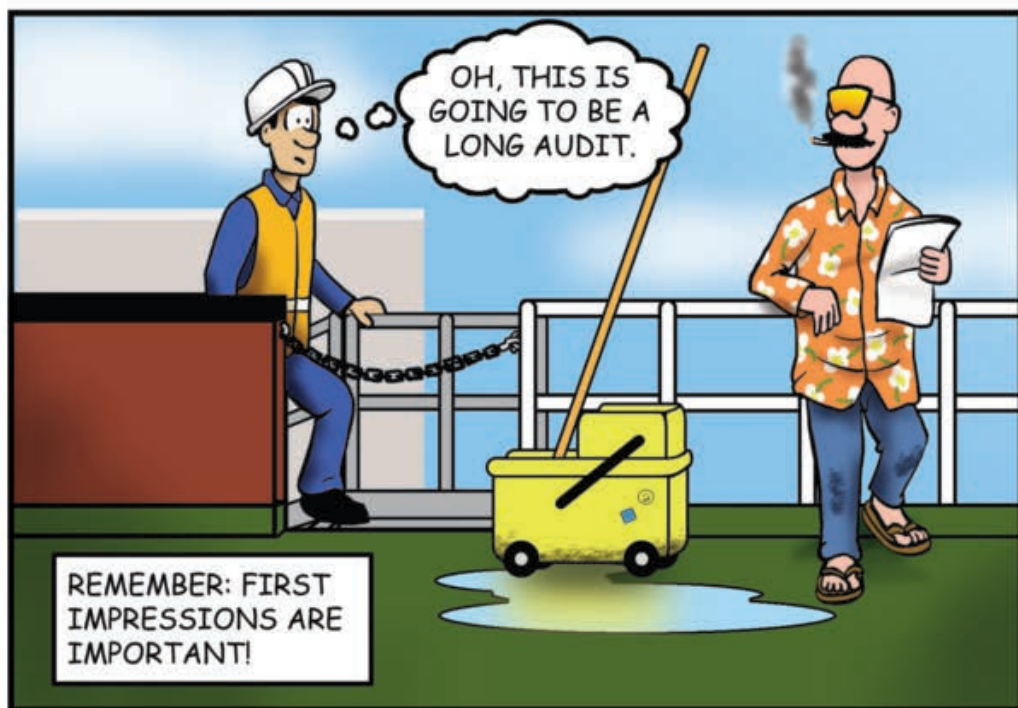
THE SMS ENSURES THAT CREWMEMBERS ARE RECEIVING REGULAR TRAINING THROUGH DRILLS AND EXERCISES AND CAN RESPOND EFFECTIVELY TO A FIRE, ABANDON SHIP, MAN OVERBOARD, OR OTHER POTENTIAL SHIPBOARD EMERGENCIES.



BE ABLE TO
RECOGNIZE ALARM
SIGNALS AND KNOW
YOUR MUSTER POINTS.



AN AUDITOR IS TASKED WITH COMING ONBOARD TO VERIFY GOOD SAFETY CULTURE AND COMPLIANCE WITH SMS.



AN AUDIT DOESN'T HAVE TO BE DIFFICULT. JUST MAKE SURE YOUR PROCEDURES MATCH YOUR ACTUAL ROUTINES.



THE AUDITOR WILL WANT TO SEE THAT YOU HAVE NEAR MISSES AND NON-CONFORMITIES DOCUMENTED AND THAT CORRECTIVE AND PREVENTIVE MEASURES WERE TAKEN.



DISSEMINATING LESSONS LEARNED TO THE COMPANY'S FLEET WILL HELP IMPROVE OVERALL SAFETY AND CREATE AN IMPROVED SAFETY CULTURE.



THE PROCESS GOES FULL CIRCLE!

AFTER A MAJOR MARINE INCIDENT OR NON-CONFORMITY THE EFFECTIVENESS OF YOUR SAFETY MANAGEMENT SYSTEM MAY BE CALLED INTO QUESTION BY THE AUTHORITIES.



FOLLOWING A SUCCESSFUL EXTERNAL ISM AUDIT THE AUDITOR WILL GIVE A REPORT AND WILL EITHER ENDORSE OR ISSUE A SAFETY MANAGEMENT CERTIFICATE (SMC).

SAFETY MANAGEMENT CERTIFICATE (SMC)

- ✓ VESSEL ISSUED CERTIFICATE
- ✓ ORIGINAL COPY SHOULD BE KEPT ON BOARD THE VESSEL
- ✓ 2.5 YEAR VALIDITY

DOCUMENT OF COMPLIANCE (DOC)

- ✓ COMPANY ISSUED CERTIFICATE
- ✓ A COPY SHOULD BE ON BOARD THE VESSEL
- ✓ 1 YEAR VALIDITY

CERTIFICATES, PROCEDURES, AND CREW COMPETENCY ARE REGULARLY EXAMINED THROUGH INTERNAL AUDITS OF THE SAFETY MANAGEMENT SYSTEM.



[YOUR VESSEL'S NAME]

MATCH THE DEFINITION OF EACH ITEM

I.S.M.

USES THE ISM CODE AS THE FRAMEWORK AND INCORPORATES COMPANY SAFETY POLICIES AND PROCEDURES.

S.M.S.

ASSESS THE RISKS OF A HAZARDOUS TASK AND REDUCE THOSE RISKS AS MUCH AS POSSIBLE.

P.T.W.

STANDARD SAFETY PROVISIONS FOR HIGH RISK TASKS.

J.R.A.

AN INTERNATIONAL STANDARD BASED ON THE GENERAL PRINCIPLES AND OBJECTIVES FOR THE SAFE MANAGEMENT AND OPERATION OF SHIPS AND FOR POLLUTION PREVENTION.

RECORD YOUR SHIP'S EMERGENCY SIGNALS BELOW.

FIRE AND EMERGENCY

ABANDON SHIP

MAN OVERBOARD

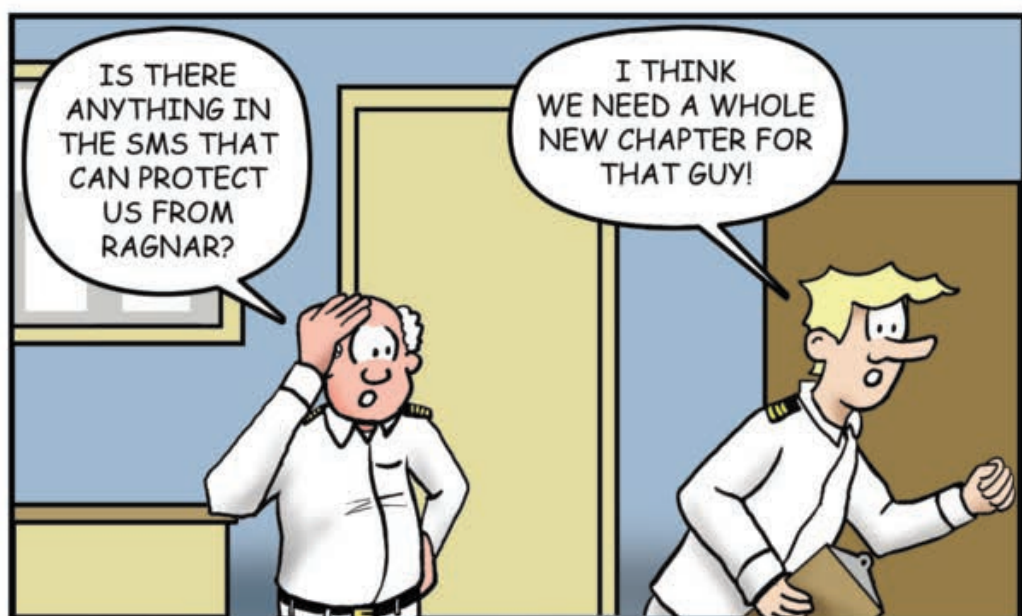
LOCATE YOUR SHIP'S SMS AND FIND THE FOLLOWING WITHIN:

YOUR COMPANY'S SAFETY & ENVIRONMENTAL POLICY: PAGE

YOUR JOB RESPONSIBILITIES AND DUTIES: PAGE

THE LAST DRILL AND SAFETY MEETING: DATE

LAST INTERNAL AUDIT: DATE





**AMERICAN STEAMSHIP OWNERS MUTUAL
PROTECTION & INDEMNITY ASSOCIATION, INC.**

SHIPOWNERS CLAIMS BUREAU, INC., MANAGER

SHIPOWNERS CLAIMS BUREAU, INC.

One Battery Park Plaza, 31st Floor
New York, New York 10004 U.S.A
TEL +1 212 847 4500
FAX +1 212 847 4599
WEB www.american-club.com
EMAIL info@american-club.com

2100 West Loop South, Suite 1525
Houston, TX 77027 U.S.A
TEL +1 346 223 9900
EMAIL claims@american-club.com

SHIPOWNERS CLAIMS BUREAU (UK) LTD.

78-79 Leadenhall Street
London EC3A 3DH U. K.
TEL +44 20 7709 1390
FAX +44 20 7709 1399
EMAIL claims@scb-uk.com

SHIPOWNERS CLAIMS BUREAU (HELLAS), INC.

51 Akti Miaouli - 4th Floor
Piraeus 185 36 Greece
TEL +30 210 429 4990 1 2 3
FAX +30 210 429 4187 8
EMAIL claims@scb-hellas.com

SCB MANAGEMENT CONSULTING (CHINA) CO., LTD.

Room 1803 - Hongyi Plaza
288 Jiujiang Road
Shanghai 200001 People's Republic of China
TEL +86 21 3366 5000
FAX +86 21 3366 6100
EMAIL claims@scbmcs.com

SCB MANAGEMENT CONSULTING SERVICES, LTD.

The Workstation, 28th Floor
43 Lyndhurst Terrace
Central, Hong Kong, SAR People's Republic of China
TEL +852 3523 0580
FAX +852 3602 3111
EMAIL hkinfo@scbmcs.com

