WORLDWIDE RECOVERIES, CLAIMS HANDLING & SUBROGATIONS

AIR • SEA • LAND
TRANSPORT • LOGISTICS

International Recovery Services and Management Strategies on Recoveries
Debt Collection and Encashment of Claims
Claims Handling and Loss Prevention
Appointments as Claims and Recovery Correspondents
Salvage and Emergency Sales
Training and Seminars

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Recoveries/Subrogations

Our philosophy is to provide fast monetary recoveries through commercial solutions combined with utmost transparency in the handling of our clients' claims, giving our customers full information and control at every stage of the recovery action.
2.  **ZASS AT FIRST SIGHT**

**Services**
- Marine Recoveries (Cargo (Air/Sea/Land), Hull & Collision Liabilities, Port Damages, Third Party Liabilities, Environmental Damages)
- Land Transport Recoveries (Road, Rail, River, Warehousing, Storage, Terminal Handling, Logistics)
- Air Transport Recoveries
- Charter and other Shipping and Trade Disputes (Sales, Services, Newbuilding Contracts)
- Debt Collection and Enforcement of Arbitration Awards and Court Decisions
- Large Claims/Casualty Management
- Handling of General Average Cases
- Analysis, Control & Supervision of Client's Recovery Claims
- Supervision and Quality Control of Recoveries
- Appointments as Claims and Recovery Correspondents
- Salvage and Emergency Sales
- Privacy Services
- Personal Injury Cases, Crew and Passenger Claims
- Loss Prevention, Consultancy, Education and Training

**Area**
Worldwide – we possess special experience & opportunities in Europe, Eastern Europe and the CIS States, the Near & Middle East, the Asia/Pacific region and in the Americas

**Clients**
Insurance and Reinsurance Companies, Importers, Exporters, Trading Houses, Shipping/Chartering Firms, Other Commercial Companies, Port Authorities and State Agencies, Law Firms/Lawyers, Private Individuals

**Communication**
In English, Chinese, French, German, Spanish, Russian, Turkish and Arabic

**Contact**
Please find your personal contact partner on the back page

**Working Conditions**
No cure – no pay or on hourly basis (+ expenses)
3. ABOUT THE PEOPLE BEHIND

ZASS International was established in early 1997 as a wholly owned subsidiary of the Zeller Associates Group.

Our team consists of

Master mariners holding a full foreign going ship master’s licence with long lasting seagoing experience on various types of worldwide trading vessels. From previous employment and experience they are familiar with the tricks and tactics of potential opponents, namely ocean going carriers, container operators, freight forwarders, multimodal transport operators, trading and railway companies, stevedores, port and warehouse operators etc.

Fully licensed Lawyers, who are admitted as counselors to judges and specialised in international transport and insurance law.

Insurance specialists, familiar with all kinds of transport related policies, their adjusting as well as P&I Insurer’s rules and conditions.

Experienced translators covering most commonly used languages in the international trade such as – but not limited to – German, English, French, Chinese, Arabic, Spanish, Italian, Russian, Greek and Dutch (other languages can be served through our partners).

Our ambitious team is highly motivated to serve our clients along the lines of a client-orientated, transparent business philosophy (if desired).

The close co-operation in the team guarantees that in every situation the full knowledge and experience of all team members combines together. Through this, we achieve for our clients – and also for ourselves – above average success rates.

4. WHY BENEFIT FROM RECOVERIES

Basically there are two kinds of Transport Clients and their Insurers:

a) those who rarely make recoveries and accept the rule of transport risks, hence they only settle the insured’s claim and usually thereafter close the file for good, because their recovery endeavours were on the whole fruitless or they appeared to be too time and cost intensive.

b) those business-experienced insurers who do not only base their profitability on well-calculated premiums and proper risk management but - in every reasonably promising case - also through effective recoveries. The enforcement of recoverable funds shifts the claim load from the sphere of cargo interests, also the owner of the goods and his Insurer, who objectively listen, into the sphere of the real wrongdoer in whose custody the damage occurred, e.g. the carrier or a warehouseman (behind whom often lie economic interests, who in every case like to have Third Party Liability Insurance).

In today’s competitive environment the success and profitability of many a good manufacturer or trader, particularly his (cargo-) Transport Insurer, depends massively on his successful recovery of paid claims from carriers, forwarding agents, multimodal transport operator’s etc. An effective recovery reduces the load on cargo rates and improves the statistics of individual cargo policies; in particular those with regular liner shipments of the same kind, like under
The better the recovery, the higher the flexibility of the premium calculation on policy renewals, hence successful recovery improves competitiveness of every cargo insurer.

5. "MAKE" OR "BUY"?
   - RETAINING OR OUTSOURCING RECOVERIES TO A SPECIALIST

Some Transport Clients and their Insurers traditionally handle their recoveries by themselves.

However, in times of "lean management" concepts and "slim" management structures it might be worthwhile - beyond only appointing claims and/or recovery correspondents abroad - to think about partial or complete "outsourcing" of recoveries as a strategic means of cooperation with external and specialised service providers.

The cost saving effect is one of the strongest arguments in favour of outsourcing. Specialised providers such as recovery agents offer their services at costs and quality, which the insurer internally cannot reach. It is often correctly held that outsourcing usually changes fixed costs into variable costs and moreover these costs can be supervised and controlled continuously.

Of further advantage is the fact that a recovery office is highly specialised and consequently might be more efficient and successful than the claims department of a large trading house, freight forwarder or a big (or small) insurance company. The grade of bureaucracy is usually reduced to a minimum and the motivation of a recovery agent is obviously higher since he mainly works on a "no cure - no pay" basis. Therefore if he does not succeed he does not receive any money - no further incentive programme is needed.

The international aspect of transport does not only open an enormous variety of defences to the carrier but also numerous different strategies and recovery tactics. The latter - in order to be most effective - requires a high grade of experience, expertise, flexibility and inventive-ness which usually cannot be expected from an insurance company where recovery plays only a minor role in the day to day business of underwriting and claims settlement.

A trained and experienced recovery agent, however, might find ways to e.g. overcome the carrier's right to limit his liability or to refer the case to a (for the client) more favourable jurisdiction.

A professional recovery agent who is working for many different domestic and international clients does have a wealth of experience on almost every kind of cargo and trade. Consequently he could not only perform recoveries but also assist in the risk assessment and future loss prevention advice. These services are also offered, often free to our long-term clients.

It is a proven fact that the ratio of successful recovery by external and specialised service providers is customarily higher than own in-house recoveries. Give us the chance to demonstrate our abilities!

Considering that sea or air transport but also travel and tourism can pass different time zones and state borders, we have arranged our business so that it is possible to turn to our company 24 hours a day.
The successful outcome of a recovery can be decided in the first couple of hours, this is why we are reachable 24 hours a day, as then we can not only cater for sea, air transport, but also travel and tourism, which pass through different time zones and state borders. This is an advantage, as many of our clients appreciate, as without having one's own recovery handlers nothing further would be realised.

6. WHY INSTRUCTING US

We believe it is time for a change and that recovery actions should be done in a client-oriented manner and moreover in an effective and active way. This means not only to protect the claims from becoming time-barred by asking for time-extensions again and again in the hope that the opponent eventually sooner or later has the courtesy to come back with a settlement proposal. To the contrary we are of the firm opinion that a recovery agent instead should be more flexible in his activities and actions, and that he should as the active part press forward (if necessary, partly aggressive) if the behaviour of the opponent party leads to believe that he is playing on delaying tactics. This is not a mere theory, but forms the basis of our success, which led us to constant growth since our establishment in early 1997 and in this time well over 6000 different cases have been brought to us.

What makes us different from our competitors? To some it is our quality of work and commitment. But we have other specialities:

Close co-operation with the client

First of all we closely co-operate with our clients on a fully transparent basis, if so desired.

Recovery agents are often and sometimes perhaps correctly blamed for not providing sufficient know-how-transfer. The simple reason behind this attitude is the fear that once their clients become too clever they might stop instructing recovery agents and do the job by themselves. Consequently know-how-transfer is kept at a minimum to strengthen the dependency of the client on the recovery agent.

Our company’s aim is exactly the contrary! We deem it most important to maintain a regular transfer of know-how and detailed information about the situation of the recovery case and to adhere to this. We believe that the better our clients are informed, the higher is their motivation to co-operate. This in turn will result in lower claims and better insurance performance which is to the mutual benefit of both and thus in the end also to the insured cargo interest.

Naturally not everything is in the interests of all Transport Clients, but will be for their Insurers.

Full transparency, full control and know-how-transfer means that our clients receive a copy of every correspondence we exchange with any party so that in the end our client has not only a reference file but concurrent documentation to our own file (which can then be used e.g. for internal education purposes!).

Apart from this it should not be forgotten that - whilst on the one hand we continuously keep our clients informed of any developments and our views on the chances of success - our efficiency on the other hand largely depends on the information, documentation and background support from our clients.

Needless to say that if we have to return cases with no chance for recovery (for instance if a claim is already time barred), this will always be accompanied by an analysis with the reasons for the rejection of the case.
Recoveries right from the beginning (even before settling under the Insurance Policy)

Recoveries do not necessarily have to be the last link in the claim-chain when eventually time and interest is falling short and memory is about to fade, we offer full support from the very beginning of a claim:

We provide full assistance from the beginning for:

Recovery action – in other words: the recovery work! – can already be started from the earliest stages of claim – even if the rights of owners of damaged or lost custody or transport means are still ignored by the Insurers. The entitled receivers or also another claimant simply can be asked to also instruct the recovery agent by a letter of authority – same as would the insurer in "normal" circumstances at a later stage after settlement under the policy. Both Client and Insurer do not prejudice themselves in any way through such action – quite the reverse, rather ensuring and optimising both their recovery-interests and -liabilities.

Advantages:

- Easy collecting of evidence necessary for the recovery - at the same time (parallel) when documentation for the adjusting under the policy is collected, without having to "bother" the insured client twice.
- Supporting the insured client with his mandatory duty to minimise losses and preserve the recovery aspects, such as the timely notification to the opposing party, securing of sufficient financial guarantee and the guarding of the time bar(s).
- Early contact with the potential opposing parties may provide the Insurer already in the early stages of the adjustment, with additional valuable aspects/ information that may assist with the adjustment under the policy.
- Preservation of recovery chances for the insured client - even in cases where (for whatever reasons) the loss is not covered under the policy. Non-coverage under the insurance policy does not necessarily mean that recovery against the real wrongdoer is also prevented!
- Clients and Insurers obtain in-time loss prevention support for the current and indirectly for future alike cases.
- On-the-spot support from the outset with draft wordings, proposals and customised formulae (combined with local support from our worldwide network of competent experts and lawyers).
- Early enforcement of adequate security before e.g. the shipowners’ circumstances change, as the ship is an essential asset of the opposition and if possible may be scrapped or sold or hidden behind a "smoke screen" whilst ownership is formally transferred.

Supervision and Control of Actions

Recovery agents should not be regarded as a cheap alternative to law firms.

This means that - having the highest respect for all highly professional and specialised law firms we use in our network – it is essential that especially with major casualties all sometimes very international actions are coordinated and controlled from one location and through one hand – not only from a merit-minded point of view, but also to avoid unnecessary costs and expenses – and, moreover, to safeguard that no action in one jurisdiction is interfering or even prejudicing a parallel action in another jurisdiction.
For this supervision and controlling task it is not necessary to have an expertise in-depth-knowledge of every legal detail in every jurisdiction in the world (such as would a local specialised lawyer have), but in fact it is necessary having a global overview on all jurisdictions so to best choose which action to bring to which jurisdiction to gain most within reasonable time and at acceptable costs and not to forget - reasonable risk for the client.

7. OUR CONNECTIONS AND EXPERIENCE – TO YOUR ADVANTAGE

Of fundamental importance is that our know-how is based on our own experience and the year long, extensive and thereby varying applied work practice of many of our colleagues.

- Additionally, through close co-operation with our partners at the ZA Group (with own offices in Germany, Switzerland, Russia, Near East, Middle East and Asia, and also a widespread network in the Americas, we enjoy an efficient and cost-saving worldwide network of lawyers, transport experts and other specialists. Our partners offer an excellent service, for example in cases of arrest or seizure for security purposes or when legal steps are necessary, but also in the field of investigations, incident analysis or lab tests.

- The City of Hamburg offers our field of business many special opportunities. Our clients stand to benefit from our extensive library of specialised literature containing the latest data and information about most topics which are connected with subjects in the field of transportation. Our clients will further benefit from our access to the data banks of the Lloyd’s Vessel Tracing and Tracking Service (via the internet). This source enables us to obtain the most important information, within the shortest possible time, such as the actual position and status of ships and their owners.

- Using similar methods, we can obtain reports about special incidents and also about the trading area of the ship in the last months. Therefore we can choose a reasonable jurisdiction a.s.a.p. and report the arrival of the ship to prepare appropriate measures - all without the pressure of time.

- Alongside the shipping specific information, we offer also a direct internet-entry to a credit agency (“Dun & Bradstreet”). In this way we do, as a rule, already begin the recovery endeavours and evaluate the financial situation of your and our opposition.

8. OUR WORKING CONDITIONS

We usually work on a customer-friendly "no cure – no pay" basis which means that we charge no disbursements whatsoever and our clients pay us an agreed percentage of whatever we recover. The agreed percentage commission is based on the gross recovered sum. If we are not successful, we will get nothing – so in other words, our Clients carry no financial risk.

In the event that external third parties (e.g. experts or lawyers) have to be involved, this will happen only after exclusive consultation with our Clients and after their express approval.
Any external expenses such as experts' and lawyers’ fees are to be paid directly by the Client, but here as well they will be advised about the initial budget. If we have to use lawyers to arrest a ship or to litigate, we will never do so without the prior consent of our client.

Such invoices will, as a rule, be paid directly from the Client – this way they can be sure that we do not charge anything on top of it.

We can also offer our assistance on an hourly basis where services other than recovery are required on aforementioned standard conditions, e.g. detailed claim analyses, loss prevention advice, special carriage precautions for specific types of cargo etc.

The above standard conditions have to be understood by Clients as a guideline. They can of course be negotiated on different terms according to circumstances and requirements. Some Clients for instance may wish to avoid the burden of any possible external costs by agreeing a higher commission percentage or others may prefer that external costs are deducted from the recovered sum together with our commission once the case is settled.

If, finally, you still wish an exact declaration of our standard costs as an indication: For "ordinary" cases we afford ourselves, as a rule, 15%-20% of the actual sum recovered as payment. This enables our endeavours for success for worldwide cases, through hybrid costing for small and large claims.

9. PRACTICAL COOPERATION

We usually remind our Clients that we may not only start recovery actions after claims settlement but also right from the beginning when an insured claims a damage or a loss under his policy: We have seen before from experience in many time critical cases, that recovery actions should be initiated from the beginning or as soon as possible.

The earlier that we are informed, the sooner can we much more effectively prepare and start a possible recovery!

Needless to mention that the earlier we are informed/involved, the better a potential recovery can be streamlined. This applies in particular where high value or sensitive cargoes (e.g. project cargo, heavy lifts, steel) are involved which might lead to a potential loss.

Usually the easiest and most practical way is therefore for our Clients to submit the entire claim file along with copies of all correspondence (however unimportant they might seem) enabling us to obtain a complete picture of the case and prepare for the best possible recovery. Upon receipt or in case of need, we shall automatically call for additional papers.

The following list stipulates documents, which are almost "compulsory", at least for the typical cargo recovery cases, and additional supporting documents which might be submitted at a later stage if necessary.

Although knowing that a perfect case does not exist and that it is sometimes not possible to collect all relevant documents, it would nevertheless be helpful to receive the following "compulsory" documents:

- Good legible copy of the original endorsed bill(s) of lading/way-bill(s)/contract(s) of carriage, charter party (both sides)

- Damage survey report(s) with experts’ invoice(s)
• **Claim statement** with a detailed breakdown of the claim figures

• **Declaration of assignment of rights** for the claim

• Loan or **subrogation receipt** signed by the legally entitled receiver under the B/L to whom the cargo was released (even if the assured under the policy is some other party, e.g. the shipper)

• **Trade invoice**

• **Letter of authority** or **power of attorney** from the underwriter to recovery agent; in the early stages (prior settlement under the insurance policy) also from the entitled receiver to ZASS.

• **Additional documents:**
  o Copy of claim notification and invitation for joint survey
  o Delivery receipts and/or shortlanding certificate and/or outturn report
  o Packing list

Naturally, the above-mentioned list is only a guideline, from which the type and form of essential documents are based largely on the circumstances of the individual case.

Obviously we would like as much complete identical documentation as possible in our possession, but nevertheless our start will not depend on the immediate compliance and fulfilment of the above list, but of course on the corresponding authorisation and agreement in principle about the necessary quick and immediate action.

It should always be kept in mind that for obvious reasons the grade of co-operation from the insured cargo owner usually drastically reduces once the claim has been settled by the Insurer. Thus, the Insurer or ourselves as a recovery office may face considerable difficulties in collecting additional documents and information in support of a potential recovery action. While an ordinary straightforward claim often is sufficiently supported with the "usual" documents, there may be cases where additional documentation/information or even further investigation by experts is required.

**We therefore strongly recommend to our insurance Clients to immediately put us on notice of every irregularity reported by the insured so that we may as quickly as possible collect all important documents / information, and rightly so from well understood proprietary interests, independent from whether or not as a consequence we actually activate this special claim.**

We do of course appreciate that particularly major clients may put their Insurers under heavy settlement pressure before the case could thoroughly be investigated, but perhaps they can be convinced that an effective recovery is also to their benefit as regards their insurance policy statistics when it comes to renewals. Additionally, a good claims record is always beneficial to reputation and therefore efforts should be made to allow effective loss prevention, which, as a precondition, necessitates proper investigation of previous cases.
10. GOLDEN RULES

Finally it might be of assistance to mention our “Golden Rules of Recovery”, which we recommend to make specific or implied conditions of all relevant transport insurance contracts:

- Immediately inform your Insurer and his Recovery Agent ZASS of any irregularity (however unimportant the casualty may seem) to allow prompt and efficient arrangement of all necessary steps in support of a potential subsequent recovery.

- Immediately put the carrier or his agent or other potential parties on written notice of the damage/loss.

- Arrange for a damage inspection as early as possible and, if applicable, invite all parties to the transport (carrier, agents, stevedores, truckers etc.) to participate.

- In case of high value or sensitive cargo (e.g. project cargo, heavy lifts, frozen goods, steel), arrange for a pre-load-, loading- and discharge survey.

- If the damage is considerable, arrange for security from the carrier, if necessary by arrest of the vessel.

- Instruct the servants of the receiving party (e.g. the truckers or warehouse-keepers) to carefully inspect the apparent condition of the cargo upon receipt and to make respective remarks on the delivery papers.

- If possible, always collect copies of the tally sheets and outturn reports from the carrier or his agent.
II. SOME CASES ON RECORD

ZASS International has in previous years examined and been entrusted with well over 6000 international and domestic subrogation/recovery and debt collection cases.

Always returning, typical job combinations – which perhaps some of our clients, in their search for recovery ability, want to activate! – are the following:

► Classic subrogation/recovery cases
  • non-delivery of various types of goods (inter alia in Eastern Europe)
  • shortages, shortlandings of commodities, break bulk and general cargo
  • oil/oil products/edible oil contamination
  • containers washed/lost over board
  • open top container damage
  • missing and stolen high value air cargo (such as watches, computer-chips and hardware and cameras)

► Large collision and disaster cases at sea

► Rescue, safeguarding, salvage & emergency sales of all or part of damaged cargo

► Truck accidents and recoveries against sub-carriers

► Shipping and chartering disputes (e.g. enforcement of guaranties and repair claims against and for shipyards, engine manufactures and equipment supplies)

► Fraudulent cases/Phantom ships and cargoes/piracy cases

► War/Civil War/Embargo cases (actual recoveries and consulting on insurance conditions and law)

► Continuous recovery guidance and recovery actions for multi-year overseas projects (construction of telecommunication centres, power-stations, steelworks, manufacturing plants)

► Management of General Average cases for cargo interests and return of GA Bond-balance

► Passenger and travel group compensation after casualties of cruise ships or bus accidents (personal injury and loss of luggage and other demands for compensation)

► Encashment/collection of insurance and reinsurance premiums, charter hire, freight etc.

► Tracing and supervision of third party assets

► Enforcement of arbitration awards (also in the international context)
ADDITIONAL SERVICES THROUGH ZASS INTERNATIONAL

Beyond ZASS’ expert service on international recovery/subrogation and debt collection business our partners have easy access to a wide range of additional services because ZASS is well connected with many other professional service firms as well as through its own roots within the ZELLER ASSOCIATES GROUP which is an independent network-provider of risk-related services for shipping, trade and transport (incl. travel/tourism) exhibiting a broad spectrum of services and coverage. Through both networks our customers have a one-stop assistance in assessing, managing and covering all risks connected with the above mentioned business activities through:

- Technical and administrative recovery and claims management services for direct clients from import/export and the forwarding, logistics and transportation industry
- Emergency and salvage sales services for all types of cargo
- Claims services (advice & activities and handling of claims, loss prevention, adjustment and surveys, etc.) in specific countries and world-wide
- Expert legal services
- Training, coaching and seminars
- Consulting in insurance and reinsurance matters and in risk management and strategies including advisory services on insurance concepts and markets
- Design and development of new insurance products

ZASS and the ZELLER ASSOCIATES GROUP were established in 1997. They employ a multi-disciplined team who have many years of commercial experience in senior roles within shipping, transport, insurance and reinsurance as well as banking and the legal profession and is operating in all major international languages (and some specialities like Russian and Arabic in addition). In addition long term business relationships of the managers provide for an established further network of associate companies whose even more specialised services and expertise can be called upon when needed.

The total firm network offers its services, alongside its European offices in Hamburg and London, through its subsidiaries and its fully accredited representative offices with own staff in a number of important global trade & transport hubs.

Your partners at ZASS International and our website under www.zass-international.com would be happy to furnish you with further details about other activities of the network and to arrange personal contacts with the managers of the other Group companies to accommodate your individual needs.