



May 2018

**To the Members**

Dear Sirs,

**General Data Protection Regulation**

**Implementation of GDPR principles in claims handling**

As advised in our circular dated February 2018, the General Data Protection Regulation (“GDPR” / the “Regulation”) provides for significant penalties in the event of a data breach. The purpose of this circular is to provide Members, correspondents and others with further guidance on how to try to reduce the risk of a breach and advise you of some changes we will be making to how we handle personal data.

People claims such as those involving crew or passenger illness and injury present the greatest challenge to the Club in ensuring the adequate protection of personal data.

**Data minimisation and privacy by design**

As mentioned in our previous circular, the Club is a controller for the purposes of the GDPR, and thus responsible for demonstrating compliance with the Regulation. As a result and in line with the key GDPR principles of data minimisation and privacy by design, the Club wishes to:

- start limiting the amount of personal information in circulation;
- make greater use of existing technology to transfer personal data more securely; and
- where possible, anonymise the data that is exchanged.

Email circulation lists continue to expand which means it can be difficult to spot when someone who should not be included has inserted themselves into an email chain. In addition, attempted fraud by email is increasing, with communications received from impersonators of those involved in the industry. These imposters are usually seeking financial gain but responding to such a message could also lead to a data breach.

In handling personal illness or injury files it is often necessary to exchange sensitive personal data with Members, correspondents and service providers around the world on an urgent basis. Implementing GDPR principles is particularly important.

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**STEAMSHIP MUTUAL UNDERWRITING ASSOCIATION LIMITED**

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority

(Registered in England and Wales – Registration number 105461. PRA and FCA registration number 202548)

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To this end, we plan to remove personal data from the body of emails (including the email heading), refer to an individual in more generic terms and use different identifiers for claims handling such as the injury type.

We would like to offer readers some “best practice” guidance in the form of 10 tips for the treatment of personal data:

1. **Respect** - treat everyone’s personal data with the same respect you would wish for your own.
2. **Minimise the generation of personal data by email and on paper** – the less personal data being created and circulated, the easier it is to protect. Only send information that is necessary for the handling of the claim.
3. **Cybersecurity** – ensure computer systems are secure and make use of security measures such as password protection and secure email servers when transferring attachments containing passports, medical reports, contracts of employment etc. We intend to use enforced email encryption or web portals to protect information.
4. **Anonymisation** – Aim to use identifiers for individuals, like crewmember, broker, surveyor etc. instead of names, rank and dates of birth. Other identifiers could be the vessel name, the nature of the incident or the port of disembarkation, with a reference number. This applies not just to the subject heading and body of an email but also, where possible, to any documents that support the claim. If there is no alternative to using a name, we would recommend it is cited with as few other identifiers as possible. We also intend to adopt this approach for claim descriptions. If these steps are put into practice, we hope that, except for those directly handling the claim, it will not be possible to identify the individual who is the subject matter of the claim.
5. **Start afresh** - if you cannot avoid identifying an individual, do so once and then start a new email so the same personal data is not repeated in the email chain.
6. **Reply all?** Before using “reply all”, check it is appropriate that everyone in the circulation list should actually receive the email you are about to send.
7. **Use official email addresses** – do not use unofficial, private, or any other non-secure email accounts.
8. **Clear and lock** - keep your desk clear and your computer screen locked when you are away from your desk. Dispose of hard copy data in a secure manner.
9. **Familiarise yourself with GDPR**, including how it applies to your business and the penalties for non-compliance.
10. **Communicate these guidelines** to everyone in your organisation.

Since the Club recognises that Members, brokers and external service providers such as Club correspondents, surveyors, and experts will generally be data controllers, as will be the Club, implementing the above security measures may minimise the risks arising from handling personal data that both the Club and Members are exposed to and we ask that you consider implementing these and other measures appropriate to your organisation.

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## **Extra-territorial reach of the GDPR as it applies to crew engaged within and outside the EU/EEA**

As referred to in the circular dated February 2018, the Regulation applies to Shipowners and/or their Managers who have establishments within the EU/EEA where they are processing personal data on EU/EEA individuals who are within the EU/EEA. For example, where a Shipowner has its management within Greece and provides Greek senior officers to its ships, the personal data of those individuals will fall squarely within the scope of the Regulation.

Where the Regulation can have extra-territorial reach is if there is a transfer of data from the EU/EEA to outside the EU/EEA, such as in the recruitment of crewmembers where:

- the shipowner/manager is located in the EU/EEA but engages crewmembers from outside the EU/EEA;
- the shipowner/manager is located outside the EU/EEA but engages crewmembers from the EU/EEA; or
- the shipowner/manager is located outside the EU/EEA and engages crewmembers from outside the EU/EEA, but the voyage passes through the EU/EEA, which may lead to the transfer of data from the EU/EEA to outside the EU/EEA.

### **Shipowners' privacy responsibilities**

In respect of crew illness and injury claims, the Clubs will often be the Member's employers' liability insurers and in such cases it will be necessary for the Member to provide the crewmembers with notice that their personal data may be shared with its insurers and other third parties.

We expect that many crew contracts and collective bargaining agreements (CBAs) may not contain data protection clauses/notices, or they will need updating. We would therefore ask Members to ensure they provide their crewmembers with the necessary notice.

In addition to any wider privacy notice (also known as an information notice or fair processing notice) you may have developed, we suggest Members consider including in the notice the following provisions dealing with injury and illness claims:

- What information is being processed? Personal and sensitive data regarding the crewmember's identity, health, illness and injuries. Financial information;
- Why is it being processed? To assist with medical treatment and insurance claims;
- On what legal basis is it being processed? To protect the vital interests of the individual, perform the employment contract and to respond to or defend any claim, or to comply with legal or statutory obligations to, for example, provide insurance;
- Who may it be transferred to? Insurance companies, insurance brokers, health facilities and entities, either in or outside the EU/EEA, involved in the management of a claim and/or the treatment, travel and repatriation of a crewmember; and

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- How long will it be kept for? Consideration should be given to the length of employment, limitation periods and other relevant factors.

This is not an exhaustive list to ensure compliance with GDPR, but should allow Members to provide claims information to the Club. In addition, local and specific legal advice should also be obtained.

For other steps the Club recommends Members should take, please refer to the "Further impact on Members" section in our previous circular.

Please also see our Privacy Notice at <https://www.steamshipmutual.com/data-protection.htm>

Clubs in the International Group have issued similar circulars.

Yours faithfully,

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