

NEWS LETTER
ISSUE No — 20

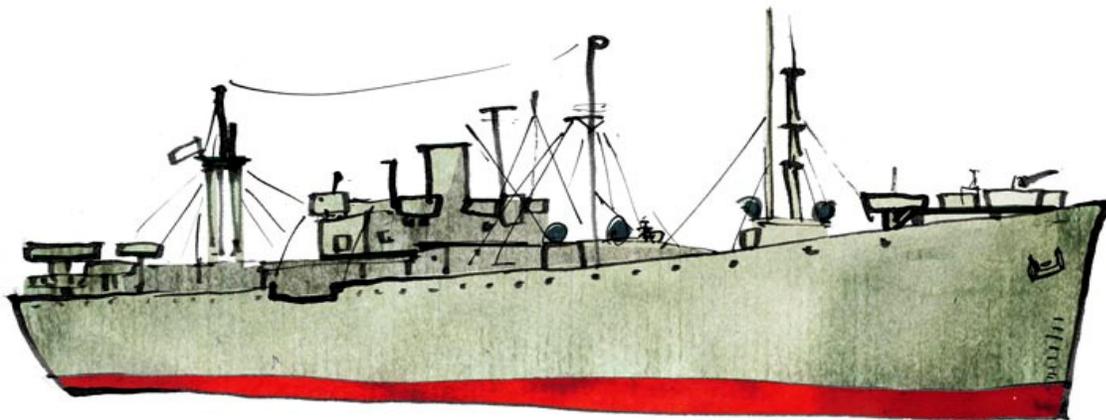


June 2018

WORLD WIDE CLAIMS SERVICES

We wish all our Readers
— RAMDAN KAREEM —

UNMANNED SHIP – BREACH OF POLICY



During a stormy weather off Dubai / Sharjah coast, a vessel dragged anchor, drifted and grounded on the private beach of a sea side hotel. The hotel owner alleged damages to their property and demanded payment of AED 525,000. They refused to allow the vessel to be removed without receiving settlement of their claim.

WWCS was appointed by the Ship owner's P & I Club to assist in dealing with the claim. We first appointed a competent surveyor to investigate the incident. Upon discussing with the hotel management, they advised that their claim is intended to cover-

- Damage to the string of floating buoys.
- Re levelling of the sand disturbed by the vessel on the beach.

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- Claim for suspected damage to underwater rocks forming the break water of the hotel beach.
- Any future claims from the hotel guests for not being able to use the beach facility.
- Loss of revenue due to closing all water sports due to the grounding of the vessel.

Needless to say, the claims were grossly exaggerated.

On investigating the incident with the Ship owners, it was learnt that the subject vessel along with three other vessels of the same company was laid up for more than a year without any crew on board. They were anchored outside the port limits. Another vessel belonging to the same owner which was fully manned was nearby to keep regular checks on the laid up vessels.

As per the terms of the P & I Policy, an Insured vessel needs to be safely manned at all times even if they are not operating and are laid up. The vessel must at all times be crewed and manned in accordance with the statutory regulations, laws and directions applying to the vessel by virtue of its Registry / Flag. As the vessel was not manned accordingly, the P & I Club considered it as a breach of cover. The Ship owner was thus left without P & I cover and had to deal with the third party claim by themselves.

The Minimum Safe Manning Certificate of the Flag State specifies the number of crew that should always be onboard. The storm was expected for quite some time, but the owners failed to take appropriate measures to safeguard the laid up vessels. There is no doubt that had the vessel been safely manned, the incident could have been avoided.

BLACKLISTED SHIPS

A Forwarding company on behalf of their customer (shipper) arranged a shipment from Dubai to Colombo. The bill of lading issued by the Carrier was presented to the bank along with other shipping documents. The bank rejected the documents as the Ship owner was blacklisted by them. In the meantime, the ship had sailed with the cargo.

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In view of the objection raised by the bank, the shipper requested the Forwarder to issue their bill of lading which was then submitted to the bank. But the bank considered it as an attempt by the shipper to circumvent their stand against the Ship owner. They refused to release the money to the shipper.

In the meantime, the cargo had arrived at Colombo. But the consignee could not clear the cargo because the bank did not release the shipping documents. To avoid delays and to fulfill their commitment, the shipper gave an indemnity to the Ship owner who released the cargo to the consignee.

The shipper's dispute with the bank continued and it took considerable time and effort before the bank agreed to release the money to the shipper.

It is advisable to check whether a ship or Ship owner is black listed before proceeding with a shipment.

Interesting facts -

The Magdeburg water bridge in Germany is an engineering marvel. It is a navigable aqueduct (water bridge) that connects the Elbe-Havel Canal to the Mittelland Canal and allows ships to cross over the Elbe River. It is 918 meters long and is the longest navigable aqueduct in the world.



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