

**NEWS LETTER**  
**ISSUE No — 21**



**September 2018**

## **WORLD WIDE CLAIMS SERVICES**

### **WWCS NETWORK**

As our clients are aware, WWCS has Associates in various countries whose services can be called upon if required. These Associates are either Surveyors, Lawyers, Recovery services or other Experts. Presently we have Associates in 29 countries.

### **CLAIMS RECOVERY IN CHINA**

Claimants usually experience difficulty in recovering claims from Chinese Ship owners. Apart from a few well established Ship owners, there are many small Ship owners who usually avoid settling claims. If they are single Ship owners, they may even close down without paying the claims. However, WWCS have been fairly successful with recoveries in China thanks to our very competent Associate lawyer in China. With their assistance, we have been able to recover many claims on the usual no cure no pay basis.

Carriers generally tend to ignore claims received at the fag end of the time limit, knowing well that the claimant do not have sufficient time to file suit. Moreover, time extensions are not valid in China. In a recent incident, we received the claim file from a client about ten days before expiry of the time limit. We quickly processed the documents and instructed our Associate who succeeded in getting a reasonable settlement on the last day of the time limit ! It is indeed a remarkable achievement.

### **THEFT OF CARGO FROM SEALED CONTAINERS**

*In the December 2013 issue of our Newsletter, we had reported incidents of missing cargoes from sealed containers. These types of incidents continue to occur and WWCS have again been involved in handling a few such incidents.*

Such shortages have been reported in shipments of metal scrap from Turkey to China. These shipments involve transshipment at Hong Kong from where the cargoes are moved by feeder vessels to the Chinese ports. The sealed containers are usually weighed at Hong Kong where they do not show much variance in weight. However, substantial shortages are noticed when weighed upon arrival at the final destination port in China.

***“Don't wait for the perfect moment ; Take the moment and make it perfect”***

***- "SOLUTION FOR ALL YOUR CLAIMS" -***

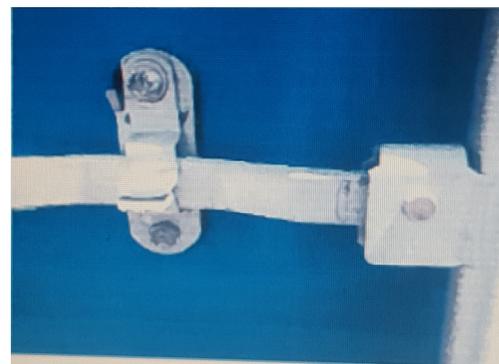
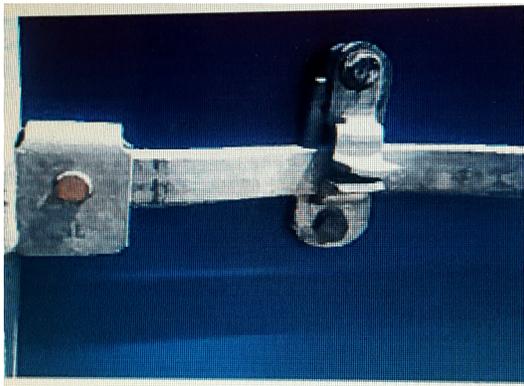
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Following reports of a few such incidents, surveyors were instructed to carry out a thorough inspection of the containers upon arrival in China. A careful examination of the containers revealed that the rivets connecting the locking bars and the door handles on the right door panel were different from the rivets on the left door panel. Besides, fresh scratches were noticed around the rivets. It was concluded that the original rivets of the container door handle on which the seal was inserted were removed thus enabling the opening of the container without tampering the original seal. After removing the cargo from the container, the container doors were closed and a new rivet was fixed on the locking handle.



*“Life is not a Problem to be solved, but a Reality to be experienced”.*



*- “SOLUTION FOR ALL YOUR CLAIMS” -*

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Similar incidents were reported when shipping copper wire coils from Jebel Ali to ICD's in India. In many instances, one or two coils were found short though the container seals were intact. The container stuffing reports showed that the full quantity was loaded. The investigations at discharge port revealed fresh scratch marks around the container door rivets indicating that they were tampered with. As the containers are transported by road from Nhava Sheva Port to the ICD, it is assumed that the tampering and theft may have taken place during such transportation.

*Such tampering is not easily visible and can be seen only on close scrutiny. It is advisable to seal the container on the locking bar cam retainer of the right door panel which would make pilferage more difficult unless the seal was destroyed.*

*It would be prudent for cargo Underwriters to identify the ports where such incidents frequently occur.*

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### CLAIM SETTLEMENT UNDER CARGO POLICY

A Consignee in Doha imported a consignment of perishable food products (vegetable, delicatessen, cheese, etc..) from France. Upon taking delivery, they found that most of the cargo has been damaged. They notified the Airline's ground handling Agents who rejected liability on the ground that the cargo

*"The only Limits in Life are the ones you make".*

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was taken delivery without any reservation. The entire cargo was destroyed as per direction of the Health Department. No survey was carried out.

The consignee notified the shipper who had arranged insurance cover for this shipment. The cargo Underwriters expressed their inability to consider the claim in the absence of the survey report. The consignee contacted **WWCS** for guidance and assistance. We reviewed all the relevant documents and prepared a detailed report for the benefit of the Underwriters. The report established that –

The packing of the cargo was customary and adequate for Air freighting.

The required carrying temperature was notified to the Airline and incorporated on the Airway Bill.

The cargo was taken delivery and transported by refrigerator truck to the consignee's cold store.

The damages were noticed soon after arrival at the cold store.

No reservation was made when taking delivery since the damages were visible only after unpacking at the cold store.

The nature of the damages ( defrosting and melting ) indicated that the cargo was exposed to high temperatures at some stage.

The exposure to high temperature could have happened prior to taking delivery from the Airport.

The Health Department's decision to condemn the cargo cannot be disputed.

The cargo was indeed destroyed as evidenced by the Destruction Certificate.

Based on our report, the cargo Underwriters approved settlement of the claim. The consignee's failure to notify them and/or appoint a surveyor was overlooked by the Underwriter as they were satisfied with the merits of the claim as enumerated in our report. The Underwriters took a fair and reasonable decision without raising technical objections ( viz. absence of survey report) to reject the claim.

***It was indeed a lapse on the consignee's part to have destroyed the cargo without notifying the Underwriters or arranging a survey. To avoid their cover being prejudiced, an Insured must always notify their Insurers promptly so that they can appoint surveyors to assess the damages.***



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