

WORLD WIDE CLAIMS SERVICES

Dear Readers,

We are approaching the end of the year 2016. We trust that all our Readers had a very fruitful and successful year. We, at WWCS, had an eventful year with a variety of claims and incidents keeping us fairly busy. Equally satisfying has been the feedback/responses from Readers in respect of the Articles reported in our News letter. We look forward to continued interaction with the Readers.

We wish our Readers all success and happiness in the coming year,2017.

DUBAI EVENTS

The Dubai Chapter of International Institute of Marine Surveying conducted a workshop on “Cargo Surveys” on 19 September 2016. Mr. R.M. Menon was one of the speakers and presented a paper on “The Dos and Donts of Cargo Surveys”. The Event was well attended by delegates from the shipping industry.



Mr. Menon being felicitated for his Presentation

“Discussions are always better than Arguments.

Argument is to find out who is Right. Discussion is to find out what is Right”.



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IMPROPER DECLARATION OF CARGO

A consignment of charcoal was shipped in 4x20' containers from Alexandria, Egypt for delivery at Jebel Ali. After sailing from Alexandria, the Line off loaded the containers at Port Said alleging that the cargo was hazardous and that the shipper had mis-declared the cargo. As a result, a dispute arose between the Line and the cargo owners. The Line refused to carry the cargo further until relevant documents specifying the properties of the cargo as non hazardous are submitted to them.

The cargo owner pointed out that from the commencement of the booking request, the Line was aware that the cargo to be shipped was hardwood charcoal as reflected in all the shipping documents. The Line had processed the documents culminating in the issuance of the bill of lading for 4 containers said to contain 3202 bags charcoal. Moreover, freight was also collected by the Line.

The Line made the mistake of loading the containers without checking all the documents. Apparently, someone in the Agent's office took the shipper's word that the relevant documents specifying the cargo properties will be submitted in due course. Thus the bill of lading was issued and the containers were loaded onboard. Later on, the Master realizing the mistake, exercised his right to off load any cargo suspected to affect the safety of the ship.

The consignee in Jebel Ali initially notified the Cargo Underwriters but subsequently proceeded on their own to take legal action against the Line for non delivery.

FRUSTRATION OF VOYAGE - CLAIM FOR ADDITIONAL EXPENSES

A shipper had taken a Policy under ICC (A) for shipping a consignment of dried raw cashew nuts from Bissao to Tuticorin. Though the cargo was loaded on the vessel, she could not sail reportedly due to engine problems. The cargo remained on board for two months and then the Charterer informed the shipper that the ship was unable to perform the voyage. The ship owner also issued a Notice of Frustration of voyage. The insured then decided to discharge the cargo and forward it through another vessel to



*“Ego is like dust in your mind.
Without cleaning that dust, you cannot see clearly”.*



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its destination. Due to a financial dispute with Charterer/ Ship owner, they could not discharge the cargo immediately and were forced to obtain a Court order. Finally, the cargo was unloaded under supervision of surveyors appointed by the Insured. The survey revealed wet damages to part of the cargo. The cargo was stored in a warehouse while the insured was trying to fix another ship. Finally, the cargo was loaded on another vessel which sailed from Bissao to Tuticoron. The Insured incurred additional costs by way of freight for this shipment as they were unable to reclaim the freight paid to the first vessel.

The Insured lodged a claim under the Policy for the expenses of unloading, warehousing, reloading and additional freight paid as well as legal expenses incurred. A claim for damage to the cargo was also submitted.

The cargo Underwriters initially rejected the claims on the ground that (a) since the voyage did not commence, the Policy was not triggered and (b) the cargo damage was due to condensation. The insured did not agree with the rejection of their claim. **WWCS** was consulted on this issue. After studying all the documents, the following details were considered : -

- The Policy schedule stated “ warranted cover starts after safe loading of the cargo on the carrying vessel.....”. Therefore, it would appear that the cover was in place when the cargo was loaded on board.
- The voyage was frustrated due to engine problems. This is a fortuitous incident and hence an Insured peril.
- The wet damages to the cargo was found to be due to condensation resulting from lack of ventilation during the two months while it was on board the vessel. The lack of ventilation is again a fortuitous incident and hence the cargo damage was deemed to fall under the Policy cover.
- When the Insured was informed about the frustration of voyage, they promptly made arrangements to discharge and tranship the cargo by another vessel. The Insured was deemed to have acted prudently.



*“Hard work is like a Staircase; Luck is like an Elevator.
Elevator may sometimes fail, but Staircase always takes us to the Top”*



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- The expenses of unloading, warehousing, reloading and additional freight were incurred to facilitate forwarding of the cargo to its destination. In the circumstances, all these expenses were deemed to be covered under the Policy.

After due consideration, the cargo Underwriter settled the insured’s claim for the additional expenses. Though a recovery action against the Charterer / original Carrier was considered, it was not pursued due to lack of relevant contractual documents.

UNWIND -

In case you didn't know -

- Baby sitters do not actually sit on babies.
- All divorced men were married once.
- You can skydive without a parachute but only once .
- Butterflies don't even taste like butter.
- Nothing rhymes with Orange. False – Nothing and Orange do not rhyme.
- Milky way galaxy is not made from milk.



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