



WORLD WIDE CLAIMS SERVICES

CLAIM FOR MISSING SHIP

A UAE based Ship owner lodged a claim with their H&M Underwriters for the loss of their ship. They alleged that the ship disappeared during a voyage to the Far East and that they lost contact with the ship and the crew. The amount claimed was USD 1.3.Million being the value of the ship.

The Marine Insurance Act and UAE Maritime Code provide that a ship may be deemed as lost after a reasonable/specified period from the date of the last news of it. There is a presumption of loss under the Law which enables the party to make a claim. The onus is on the party rebutting the presumption to produce necessary evidence.

The Underwriters appointed **WWCS** to investigate the incident. We engaged experts involved in tracing missing ships. It was ascertained that the ship was last known to be in the waters near Indonesia. There are more than 1000 small islands dotting the region which are not covered by AIS (Automated Identification System) and it is difficult to trace any ship hidden there. The area is notorious for pirates who hijack ships and their cargoes.

Though the Insured was requested to submit various relevant information / documents relating to the ship and crew, these were not provided. Meantime, there was unconfirmed news that the ship was sold by the Master and Chief Engineer. However, this could not be verified. The Underwriters withheld settlement of the claim pending their investigations and receipt of relevant information/documents from the Insured. The Insured initially pursued the claim vigorously against the Underwriters and even appointed lawyers. But the Underwriters did not settle the claim while they continued to investigate the matter further. Surprisingly, the Insured ceased pursuing settlement and in the absence of any approach from them for a long time, the Underwriters were in a dilemma whether or not to close their file. Though there

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“ Little Adjustment is better than lengthy Arguments”



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is a statutory time limit for such claims, there is also a provision under the Law by which the time limit is deemed to be suspended by virtue of relevant communication from the Insured relating to their claim. **WWCS** was again consulted for advice in this connection. We investigated further and discovered that the vessel was once again in service/commission. It was presumed that the vessel was either not lost as originally claimed or the Owner succeeded in getting back his ship. Based on this information, the Underwriters closed their file and did not have to make any payment under the Policy.

INSURANCE FOR LOGISTIC OPERATORS

The Insurance covers Logistic operators such as Freight Forwarders, NVOCC, Road Transport operators, Warehouse operators etc. for their various liabilities. Liabilities can be for cargo loss/damage, bodily injury and physical damage to third party properties, Professional negligence claims, statutory Fines & Duties etc. Additionally, Insured's cargo handling equipments are also insured for loss or damage.

WWCS are the Regional Claims Correspondents for two such Liability Insurers based abroad. Many Logistic companies in UAE have taken the cover to protect themselves from claims. However, there are others who operate without adequate insurance cover. They are generally under the impression that they will have no liability for claims. Besides, they are reluctant to incur the cost of insurance premium. They do not realize that there can be situations where Forwarders will be exposed to liabilities. A Freight Forwarder may operate without a claim for years and then suddenly get hit with a substantial claim. Besides, now-a-days many Principal Forwarders are insisting that their Agents have insurance cover.

WWCS is in discussion with NAFL, Dubai on this issue. For the benefit of their Members, NAFL has invited **WWCS** to give a presentation to create awareness for insurance cover.

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“ Meaningful Silence is better than Meaningless Words.”



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