

WORLD WIDE CLAIMS SERVICES

SINKING OF SHIP WHILE LOADING CARGO

A ship on Time Charter was loading containers alongside a safe berth in the port. The Master was supervising the loading as per the Container Weight Declaration given by Charterers. As loading progressed, the vessel started listing to the starboard side. The loading was stopped and the Port advised the Master to correct the list by taking in ballast in DB tanks. However, the Master did not carry out ballasting of the tanks. Instead, the crew collected their personal belongings and abandoned the ship. Meanwhile the ship continued to list and eventually sank at the berth.



Salvors were appointed to remove the wreck from the port waters. Repairers who inspected the ship concluded that it is beyond economical repair and hence a total loss.

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“Success is NOT the key to Happiness; Happiness IS the key to Success”



- “SOLUTION FOR ALL YOUR CLAIMS”



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The Hull Underwriters appointed a surveyor to investigate and report on the incident. When the ship owner was requested to provide the ship's relevant documents, they advised that all documents had sunk with the ship. The crew were also not made available for questioning. The surveyor could only assume that the vessel could have sunk due to wrong declaration of container weights and/or due to improper loading.

The Hull Underwriters settled the Insured's claim for total loss and wished to recover from the Charterers holding them liable for the wrong declaration of container weights.

WWCS was consulted in this respect. We reviewed the case and carried out further investigation. While the ship's certificates were all in order, key documents such as Stowage Plan, Loading sequence plan, Stability calculation etc. were not available. In the circumstance, we could not find any evidence to prove that the container weights were misdeclared by the Charterer. On the other hand, the Master's decision to ignore the Port's instructions, failing to take any corrective steps and abandoning the ship, did not help our cause either. In the circumstance, we concluded that there was no valid case against the Charterer.

There were a number of grey areas in the circumstances relating to the sinking of the ship. Besides, the Ship owner did not cooperate in the investigations. In the circumstances, the H&M Underwriters should have deliberated before considering settlement of the total loss claim.

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“Desire changes nothing. Decision changes something .

Determination changes everything” .



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ROAD TRANSPORT CLAIMS

We have been witnessing a large number of cargo claims arising from Road Transportation. The claims usually arise due to unsafe transportation. Over speeding may result in overturning of the vehicle (especially at roundabouts), collisions with other vehicles, bursting of tyres etc. leading to damages to the cargo on board. Poorly maintained vehicles are prone to break downs / accidents, spontaneous fire etc. Besides, there have been many instances of drivers abandoning the vehicle and disappearing with the cargo.

When incidents like this occur due to negligence of the Transporter, they are liable for the resulting claims. If the Transporter is an established company with a fleet of trucks/ trailers and have proper insurance cover, it is possible to recover the claims from them. Unfortunately, there are many Transporters in UAE who are one-truck owners without even an office. The driver manages all the business operations using his mobile phone. He has no assets and no Liability Insurance cover either. They do not issue any transport document. It is difficult or next to impossible to recover claims from such Transporters. Most of these Transporters do not have any awareness of the legal liabilities arising from transportation of cargoes. Sometimes reputed Transporters are seen to subcontract jobs to such drivers when their own vehicles are not available. **WWCS** are involved in many such claims. Though we have managed to recover substantial claims from good established Transporters, we have found it difficult when dealing with one-truck owners who are without assets and Insurance cover.

Cargo Underwriters may do well to impress upon their Insureds to engage only known and reputed Transporters after verifying the credibility of the Transporter and their insurance arrangements.

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“Your Promises don’t make you a better person, your Commitment does”.



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HAULIERS LIABILITY INSURANCE

In the preceding Article, we talked about the operations of the Hauliers in UAE. As regards Insurance cover for Hauliers, there are many Insurers offering Haulier's Liability insurance. **WWCS** represents a Liability Insurer in UK who started offering Haulier's Liability cover in UAE in early 2000. To their dismay, they found out that most of these Hauliers had no proper documentation for the transportations undertaken by them and moreover, they expected the Insurer to settle the claims of their customers without calling for any supporting documents. They were under the impression that the Insurer's job was to pay out claims without any questions asked. As the Insurer's Claims Correspondent, **WWCS** had a difficult time explaining to these Insureds the need for documents to process the claims.

Besides, many of the vehicles were poorly maintained resulting in accidents leading to frequent claims that wiped out the premium. For our Principal, it was a baptism by fire in this particular field and they stopped writing this business in UAE after two years. It was interesting to note that some of these Hauliers had changed Insurers many times in the past, lasting only one or two years with any one Insurer.

This is not the case with all Hauliers in UAE. There are some good operators who run their business in a professional manner. Insurers need to review the Haulier's operations well before offering cover.

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“Mind is not a dustbin to store anger, hatred and jealousy.



It is a treasure chest to store love “.

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