

WORLD WIDE CLAIMS SERVICES

CLAIM UNDER WAR RISK POLICY

The incident pertains to a ship which came under missile attack while sailing out from the port of Aden. The ship caught fire resulting in massive damages to its structure. The crew had to abandon the ship and were rescued by a naval vessel which brought them ashore. The ship which was badly damaged was towed to a nearby port. Surveyors were appointed to assess the damages and thereafter repair quotations were obtained from various repair yards. Since the repair cost was found to exceed the value of the vessel, it was decided to consider the ship as “Constructive Total Loss”. It was subsequently sold for a salvage price.



Apart from minor injuries suffered by some of the crew, there were no casualties. While abandoning the ship, all the crew lost their personal belongings including their passports, certificates etc. They were accommodated in a hotel while they were given psychiatric counselling and the injured were given medical treatment. There were seven nationalities among the crew and their respective Embassies/Consulates were contacted for issuing new passports / travel documents. It took about five months to sort out all issues and complete the formalities and repatriate the crew to their respective countries.

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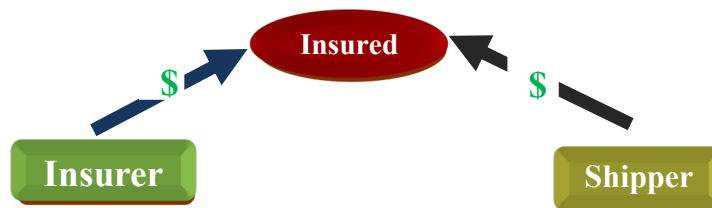
WWCS was involved on behalf of the War Risk Underwriters in London and had to deal with the claims arising from the incident. The ship owners had raised various claims in respect of hotel bills, medical bills, local expenses, Embassy/Consulate charges, Immigration fees, repatriation costs, compensation, crew wages, loss of personal effects etc. Besides, there were also Sue & Labour costs arising from the Salvage services, Sale of ship, Superintendent's expenses etc.

Needless to say, the documentation was quite voluminous considering the number of crew and their length of stay in the hotel. We had to diligently sift through each and every expense claimed. Since this was expected to take considerable time, we approved an "On Account" payment to ease the Owner's financial burden. The final Adjustment was eventually issued. The total amount claimed by Owners was in the region of AED 3.3. Million. After Adjustment, the amount approved by us was about AED 2.5 Million. This resulted in a saving of about AED 790,000 for the Underwriters.

INSURED'S DUPLICITY

A consignment of boneless mutton shipped in a reefer unit from Melbourne outturned in damaged condition at Jebel Ali. The cargo Underwriter's surveyor confirmed that the cargo was defrosted with blood stains and foul odor. Though the Carrier did not reveal the temperature data, the surveyor concluded that the damages may be attributed to temperature abuse during the voyage. WWCS was appointed by the cargo Underwriter to recover the claim from the concerned Carrier.

Upon taking up with the Carrier, we were advised that they have received the same claim on behalf of the shipper in Melbourne. Upon enquiring further, we found out that the Insured had recovered the claim from the shipper who in turn was trying to recover from the Carrier. The Carrier left it to us and the shipper to decide who is entitled to pursue the recovery.



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We appraised the cargo Underwriter of the situation who took up the matter with their Insured. The Insured was evasive and did not admit to having received compensation from the shipper. Meantime, we obtained from the shipper proof of the payment made by them to the Insured. Confronted with this, the Insured could no longer hide the fact that they had received payment from the shipper in addition to claiming under their policy. The cargo Underwriters then initiated steps to recover from the Insured the money paid by them under the Policy.

This is a classic case of the Insured trying to claim compensation from two sources. This came to light because the shipper also tried to claim recovery from the Carrier. This incident should be a heads up for all cargo Underwriters before settlement with their Insureds.

R.M.Menon giving a presentation on “CARGO CLAIMS RECOVERY” to the Claims Team of Sri Lanka Insurance Corporation, Colombo on 24-02-2020



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A GLORIOUS MORNING IN DUBAI

It is Friday, the eagerly awaited weekend when every sensible person gets up late from the bed. But no such luxury for me as I have to attend my Yoga session. So there I was rising from the bed half awake as soon as the alarm went off at 6 a.m. Suddenly I was wide awake to an unusual sound. It is the sound that one usually hears back home in India. RAIN ! I open the window and see the pouring rain. Though used to the occasional drizzle, such heavy rain is rare in Dubai. I did what I normally do in India when it rains. I pulled the curtains and crept back under the sheets. Yoga can wait for the next Friday. Though sleep didn't return, I enjoyed dozing in bed listening to the patter of rain for another hour.

After enjoying my morning tea, I decided to go out and soak up the blissful weather.

By that time, the rain had stopped. It was cool and there was a nip in the air which was exhilarating. Even the pigeons in the square seemed to be at ease and did not fly away when I passed by them. A stray cat went by rubbing against my legs.



Weather seemed to have brought about a bond between humans and animals. I pass by a cafeteria and watch people standing outside sipping steaming cups of tea. Few elderly couples in sweaters and jackets were strolling. I make my way to my favorite restaurant and enjoy a leisure breakfast of Pongal and filter coffee.

On the way back, I drop in at the grocery store to pick up a few essentials. I could sense a pervading calmness in the atmosphere as the shoppers went about their purchases. Even the usually poker faced sales person was sporting a smile !

Going back home, I marveled at the effect the weather has on us and how much nature controls our behavioral pattern. We may make ground breaking inventions, send rockets to outer space, boast about AI and Digital age but at the end of the day, we are well and truly under the umbrella of mother nature. Let us pledge to be always thankful to mother nature, preserve its purity and refrain from desecrating it.

 By *R.M. Menon*

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