

No.6 2021/2022 - Carriage of Containers on Dry Bulk Carrier



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Underwriting Director

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Dear Member,

Carriage of Containers on Dry Bulk Carrier

The container shipping markets and trades have recently seen an unprecedented demand for container vessels. However, due to the growing pressure on container slot availability with demand exceeding the current supply on container vessels on specific routes, exporters are looking at alternative vessels to fulfil carriage commitments.

As a result, the Club has seen incidents of bulk carriers designed purely for the carriage of dry bulk cargo being chartered for the carriage of containers. The carriage of containers on this type of vessel can lead to a number of issues which need to be understood and addressed for the shipment to be delivered successfully to the discharge port. The carriage of containers on a bulk carrier may be deemed a change of use and therefore, the Member should contact the vessel's Flag State Administration and Classification Society to determine what documentary changes will be necessary to the vessel's statutory and Classification certification.

It is also likely that loading containers may be deemed a material change by the P&I Club and therefore in order to prevent the risk of cover being prejudiced, Members are advised to contact the Underwriting department.

A pre-loading survey may also be required to validate the lashing and stowage arrangements.

Should employment involve multiple voyages carrying containers, then statutory certificates may need to be re-issued, particularly those detailing the vessel type, and possibly including the operator's International Safety Management (ISM) Document of Compliance (DOC). In addition, to warrant a DOC issued for general/multipurpose dry cargo ship operation, the company's Safety Management System (SMS) may need amending to include guidance on the loading, stowage, and carriage of containers.

These changes may need to be verified by an additional external ISM audit of the office and vessel. The vessel's Classification Society may require reclassification of the vessel and possibly other surveys to confirm that the vessel can be reclassified for the carriage of containers. Although Class should be advised of any such change of use, a single trip may only involve the issuance of an exemption letter for the voyage by the Classification Society.

In addition to possible changes to certification, other documents may require updating and re-submitting to the Flag Administration's Recognised Organisation (RO) for verification and approval. In particular, it is most likely that the Cargo Securing Manual (CSM) will have no provision for the stowage and securing of cargo other than dry bulk and therefore needs to be amended and submitted for re-approval. The stability book may likewise need amending. The vessel's Flag State and Classification Society will be able to advise on their individual requirements.

When certification or documents require updating and re-issuing, verified copies of the certificates and documents, or exemption letters issued, must be on board the vessel before loading operations commence.

Where containers are stowed on deck, it must be confirmed that the contract of carriage allows such stowage, and the B/L is suitably claused to reflect that the cargo has been stowed on deck. Members are specifically referred to the Club's News Item of 2 July 2019 about suitable wording for such clausing. If, however, Members are contractually obliged not to agree to such clausing, then additional cover may be necessary and Members are referred to the Club's guide to Deck Cargo Cover.

Yours faithfully

For: West of England Insurance Services (Luxembourg) S.A.
(As Managers)

S G Parrott
Director