

No. 8 - Steel: Loading and Discharge Surveys

December 1993

Translations: Chinese  Vietnamese 

Dear Sirs,

STEEL: LOADING AND DISCHARGE SURVEYS

Many steel claims arise in respect of damage which may have existed prior to loading, or from seawater ingress due to leaking hatch covers. To minimise the risk of incurring such losses, Members are required to engage an experienced surveyor at the port of loading (a) to assist Masters in recording the apparent condition of the cargo so that, where appropriate, mates receipts and bills of lading can be clausured correctly, and (b) to verify that the hatch covers and other openings are in sound condition. Neglecting to take such steps may prejudice cover should the steel later become the subject of claims.

It is essential that a surveyor is employed if any of the following steel products are to be loaded: -

Hot rolled steel in coils or bundles
Cold rolled steel in coils, packs or bundles
Galvanised steel
Stainless steel
Tin plate
Wire rods
Steel pipes
Structural steel (Rebars, channels, angles, beams, bars, strips, sections, forgings)

The following low value goods and some semi-finished materials do not require the attendance of a surveyor: -

Steel billets
Steel blooms
Steel scrap
Steel swarf
Pig iron

In order to arrange a steel loading survey, Members should give the Club timely notification of;

- (a) The vessel's ET A at the loading port
- (b) The exact nature of the steel cargo to be loaded
- (c) The name of the vessel's local agents

Where it is impractical to give such prior notice to the Club, Members should contact the Club's local representative at the

loading port giving the above details and inform the Club as soon as possible thereafter .

During the examination of hatch covers, the surveyor will pay particular attention to the hatch sealing and securing arrangements and to all other weather deck openings. The surveyor must report immediately to the Club and Master every defect found. If appropriate, the inspection should incorporate a hose test, chalk test or ultrasonic test, but it is recognised that the pressures of time and other factors may preclude such action.

With regard to the apparent condition of the steel, the surveyor will assess and record evidence of rust, physical defects, structural abnormalities and contamination and make suitable recommendations to the Master as to whether the mates receipts and bills of lading should be claused. Reference is made to Rule 16(C)(e)(i): -

Unless the Committee in its sole discretion shall otherwise determine, there shall be no recovery from the Association in respect of any liabilities, costs and expenses arising from the issue of a bill of lading, waybill or other document containing or evidencing the contract of carriage, with a description of the cargo or its condition which the Member, or the Master of the insured vessel, knew to be incorrect.

Detailed advice regarding the clausung of bills of lading, letters of indemnity and the problems associated with the carriage of steel can be found in Loss Prevention Bulletin 3/1993/94 which accompanies this circular. In cases of doubt, the Master or the vessel's agents should contact the Managers immediately.

Subject to terms of cover, the Club will make a 50% contribution towards the costs of the survey.

If heavy weather is encountered on passage, or if damage was observed at the time of loading, the Club should be given timely notification of the vessel's ETA at the discharge port(s) as the appointment of a surveyor will be advisable. The surveyor will examine and record the condition of the steel on arrival, and may monitor the out turn during discharge. If necessary, he may also follow the cargo to the receiver's premises to witness the opening up of coils or packages. In so doing, the Member will be in a better position to answer any claims.

In cases where surveyors representing other interested parties board the vessel, they should be permitted access to the cargo and/or ship's documents only in the presence of the attending Club surveyor.

Nb: All previous steel circulars are superseded by this Notice to Members.

Yours faithfully,

**The West of England Ship Owners
Insurance Services Limited**
(As Managers)

MD Kelleher
Director