

No. 12 2017/2018 - Steel: Loading and Discharge Surveys

August 2017

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, unless otherwise agreed in writing by the Managers, 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 claused correctly, and (b) to verify that the hatch covers and other openings into the cargo spaces are in sound condition and weathertight. Neglecting to take such steps may prejudice cover should the steel later become the subject of claims. The tallying, stowage and securing of steel cargoes is outside the scope of this survey requirement.

A surveyor should be employed in accordance with the provisions above if any of the following finished and semi-finished steel products are to be loaded:

Cold rolled steel in coils, sheets, plates, packs or bundles

Flat bars and merchant bars

Galvanised steel

Hot rolled steel in coils, sheets, plates or bundles

Pre-Painted, metallic coated or electro-plated steel

Stainless steel

Steel pipes and tubes

Structural steel of all shapes/configurations (Rebars, debars, channels, angles, beams, bars, strips, sections, forgings, profiles, rails, pilings and girders)

Tin plates

Wire rods

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

Beach iron

Pig iron

Steel billets

Steel blooms

Steel ingots

Steel scrap

Steel slabs

Steel swarf

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

- (a) The vessel's ETA at the loading port(s)
- (b) The exact nature of the steel cargo(es) to be loaded
- (c) The name and contact details 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 into the cargo spaces. If appropriate, the inspection should incorporate a weathertightness test, using ultrasound where available, although it is recognised that the pressures of time and other factors may preclude such action. The surveyor must immediately report in writing details of every defect found to the Club.

With regard to the apparent condition of the steel, the surveyor will assess and record evidence of rust, physical defects, structural abnormalities, contamination and damage to bindings and packaging, 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), which reads:

"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 clausing of Bills of Lading, Letters of Indemnity and the problems associated with the carriage of steel can be found in the Manager's Loss Prevention Bulletin addressing The Carriage of Steel. In cases of doubt, the Master or the vessel's agents should contact the Managers immediately.

Subject to Members' individual 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 identify who they are representing and be permitted access to the cargo and/or ship's documents only in the presence of the attending Club surveyor.

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

Yours faithfully,

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

S G Parrott
Director